



ANNUAL REPORT 2020

INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED



**TOGETHER** FOR THE BETTER



**SET** ตลาดหลักทรัพย์แห่งประเทศไทย  
The Stock Exchange of Thailand

พิธีเปิดการซื้อขายหลักทรัพย์วันแรกในตลาดหลักทรัพย์ เอ็ม เอ ไอ

maí Index 324.27 +2.51 +0.78% 10:03:48

**INDEX**

บริษัท อินเตอร์เนชั่นแนล กรุป จำกัด (มหาชน)  
Index International Group Public Company Limited

**IND** Last price **1.59**

Change: **+0.49** %Change: **+44.55%**

	Volume	Bid	Offer	Volume
IPO Price:	1.10			
Open Price:	1.55			
High:	1.66			
Low:	1.55			
Volume:	119,989,302	458,400	1.59	638,900
Value:	191.47 M	1,021,200	1.58	1,222,400
		1,535,700	1.57	1,376,400
		514,900	1.56	1,515,200
		1,230,800	1.55	802,500

**maí**  
Market for Alternative Investment

**INDEX**  
INDEX INTERNATIONAL GROUP PCL  
ISO 9001:2015 CERTIFIED

**First Trading Day | December 22, 2020**

**IND** **INDEX**

**INDEX INTERNATIONAL GROUP PCL.**

**OPENING CEREMONY OF "THE FIRST DAY OF  
TRADING IN THE MAI STOCK EXCHANGE"  
INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED**

on Tuesday, 22 December 2020, 9:00 a.m. – 10:20 a.m.  
at Sukree Kaewcharoen Auditorium, Building B, 3<sup>rd</sup> Floor, Stock Exchange of Thailand.





## "Think and Work Successfully"

with the commitment to develop engineering progress and customers' impression and move forward to international standards.





INDEX INTERNATIONAL GROUP PCL.

38 YEARS OF PRIDE







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**Integrity &  
Innovation**

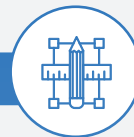


**Infrastructure**



**Development**

**Engineering**



**Experience**





## VISION

It is a leading engineering consulting company and a leader in the business of design and construction for the investment in infrastructures, public utilities, and real estate with comprehensive services. It operates its business with the good governance system to employers, shareholders and employees, and also develops the organization to be a learning organization in order to increase the competency of personnel.



## MISSION



### DEVELOPING THE ORGANIZATION

towards engineering excellence and project management innovation



### EXPANDING BUSINESS

in terms of infrastructure and real estate development with quality works



### CREATING WORKS

that are beneficial to employers and society and being responsible for the community and environment



### CONTINUOUSLY SUPPORTING

the development of employees' capabilities for professional works



### ENSURING

the quality of work life of all employees at all levels in the organization



## MESSAGES FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



**We would like to confirm our intention to lead the Company to be the leading architectural and engineering company in various fields with quality and transparency and aim to be the company with good corporate governance.**



Index International Group Public Company Limited was established to provide engineering consultation services in terms of study, survey and feasibility study of projects, conceptual design and detailed design, project management and construction supervision, and design-build services to both public and private sectors by a team of experienced and skilled engineers and architects.

Over 38 years, the Company has operated its business with integrity and also built confidence. We are proud to be a part of the country's economic development through large-scale projects of public and private sectors. We developed public utilities system and infrastructure in terms of transportation, road network, public transportation system, and air, water and pipeline transportation, and also developed logistics system management standards which facilitate and enhance the efficiency of transportation, development of main

cities, and renewable energy and oil depots, including other projects in consistent with the development and progress of the nation.

The year 2020 was an important year because the Company was listed on the Market for Alternative Investment (MAI), which was an important step in creating business opportunities and fundraising. This also made the Company to be reliable and widely known by domestic and international investors and the general public. Although it was the period that Thailand and the world had encountered with the Coronavirus 2019 outbreak affecting all business sectors, the Company still operated its business with commitment in accordance with good corporate governance principles and the emphasis on integrity and morality in business operation, along with the awareness of the importance of corporate social and environmental responsibility.

On behalf of the Board of Directors of Index International Group Public Company Limited, I would like to thank all shareholders, customers, business partners, sponsors of the Company, executives, and employees on this occasion and would like to confirm our intention to lead the Company to be the leading architectural and engineering company in various fields with quality and transparency and aim to be the company with good corporate governance according to international standards in order to further create satisfaction and the highest reliability for shareholders and customers.

On behalf of the Board of Directors



**General Wuttinun Leelayudth**  
Chairman of the Board of Directors





## MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE COMMITTEE AND THE CHIEF EXECUTIVE OFFICER



The Company is ready to drive any operations according to the plans by selecting projects that will be beneficial to the society and the nation, integrating expertise in providing services to customers with its full potential, integrity, and honesty based on the good governance principles while contributing to the community, social and environmental development.



Index International Group Public Company Limited is a leading engineering consultation company which has involved in the design and project management to develop public utilities system and infrastructure of the government sector. With experiences in more than 300 projects, the Company has created effective works which gain the confidence and trust from domestic and international customers in the public and private sectors. The success over 38 years is the proof that the Company has high professional knowledge and expertise in architecture and engineering in all areas, which is the strength of the Company. In addition, the Company is also committed to developing its competency in providing integrated services while building business network alliances to strengthen its strength, provide more comprehensive services, and increase the competitiveness of the organization.

The Company's operating results in 2020 increased which was close to the specified goal. This was the impact from the crisis of the coronavirus 2019 outbreak encountered by the world. Especially in the first half of the year 2020, the Company was adversely affected by the economic slowdown. The sudden decrease in demand in the industrial sector resulted in the delay of implementation of investment projects in any public utilities system, including construction projects of the government sector. In 2020, the Company had the total revenue of 576.81 million Baht, the total expenses of 559.03 million Baht, the total assets of 725.08 million Baht, and the total liabilities of 364.82 million Baht. The Company was able to earn the net profit of 17.78 million Baht. At the end of the year 2020, the Company had the amount of work

on hand, pending for revenue recognition in the following years (Backlog) in the amount of approximately 359.86 million Baht.

Regarding the new projects signed by the Company in 2020, there were 9 projects worth over 517 million Baht, including;

- Project of aviation fuel storage tank design and construction (T-2306) with related system equipment at Suvarnabhumi Aviation Fuel Storage Station
- Project of the 4-lane highway survey and design, Phanat Nikhom bypass (Northern part)
- Project of land leveling supervision for the construction of the taxiway 1 and the apron of the Aircraft Maintenance Center, U-Tapao Airport
- Project of economic, engineering and environmental impact feasibility study for the construction of the connected highway network, Udon Thani - Bueng Kan Province
- Project of inspection and certification of conditions of the Second Stage Expressway, A, B and C Parts
- Consultation services for inspecting detailed design of Thailand-China Railway Cooperation Project, Bangkok - Nong Khai Section (Phase 2)
- Feasibility study of the construction of Bueng Kan Airport
- Project of conceptual design and cost estimation for the construction of the northern oil pipeline transportation system (Saraburi - Ang Thong)
- Consultation services for detailed design of Thailand - China Railway Cooperation Project, Bangkok - Nong Khai Section (Phase 2 Bangkok - Nong Khai Section)

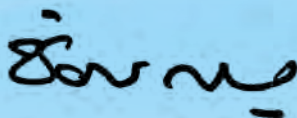
Regarding the large-scale projects implemented by the Company in the previous year, the implementation of many projects has progressed and is nearly completed, such as

- Project of management consultation for MRT blue line extension project
- Design-build project of Phichit oil depot
- Design-build project of Nakhon Lampang depot
- Construction project of aviation fuel service station at Don Mueang Airport, etc.

Although the Company encountered many obstacles in 2020 like other general businesses, the Company still made its utmost effort for the Company's growth according to the plans set forth in the following years under the strategic framework. The Company is ready to drive any operations according to the plans by selecting projects that will be beneficial to the society and the nation, integrating expertise in providing services to customers with its full potential, integrity, and honesty based on the good governance principles while contributing to the community, social and environmental development.

Finally, on behalf of the Executive Committee and all employees of Index International Group Public Company Limited, I would like to thank all shareholders, government agencies, private sector, state enterprises, customers, partners, business partners, and sponsors of the Company for the continued confidence and trust in Index Company International Group Public Company Limited. This is considered the important factor driving the Company's business operations to overcome many challenges in various areas and causing the Company to be successful and become the listed company on MAI. It will be a business opportunity for further expansion in the future. In this regard, please be assured that the Company is still committed to developing its competencies in terms of technology, personnel, knowledge, management, investment, and marketing in order to create performances for the Company to grow stably and sustainably.

On behalf of the Executive Committee



**Dr. Chainarong Na Lamphun**  
Chairman of the Executive Committee  
and Chief Executive Officer





## BOARD OF DIRECTORS AND MANAGEMENT TEAM



### General Wuttinun Leelayudth

Chairman and  
Independent Director

Age : 66 years

Date of Appointment : 12 September 2017

#### Educations/Training Program

- Master of Business Administration, Kasetsart University
- Bachelor of Science, Royal Chulachomklao Royal Military Academy
- Director Accreditation Program (DAP), Class 145/2018
- Executive Program, Capital Market Academy (CMA 5)
- Top Executive Program in Commerce and Trade (TEPCoT) Class 6, Commerce Academy, University of the Thai Chamber of Commerce

**Shareholding Proportion** : None

#### Positions in the Company (Present)

- Chairman and Independent Director, Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

#### Positions in Non - listed Companies/

##### Other Positions (Present)

- Director, Mechai Viravaidya Foundation
- Director, Population and Community Development Association

#### Working Experiences in the Previous 5 Years

- Honorable Member of the Council of Defense, Council of Defense
- Expert Committee, Policy Committee for Private Investment in Public Affairs
- Member of Qualified Committee, University Council, Kasetsart University
- Member of the National Reform Council, National Reform Council
- Deputy Commander in Chief, Royal Thai Armed Forces



### Dr. Prasert Tapaneeyangkul

Independent Director,  
Chairman of the Audit Committee and Member  
of the Nomination and Remuneration Committee

Age : 68 years

Date of Appointment : 12 September 2017

#### Educations/Training Program

- Doctor of Engineering (Environmental Engineering), I.N.S.A, Toulouse, France
- Master of Engineering (Sanitary Engineering), I.H.E, DELFT, Netherlands
- Master of Engineering (Environmental Engineering), I.N.S.A, Toulouse, France
- Bachelor of Laws, Thammasat University
- Bachelor of Engineering (Sanitary Engineering), Chulalongkorn University
- Director Certification Program, Class 87/2007
- Finance for Non - Finance Director Program, Class 36/2007
- Monitoring Fraud Risk Management Program, Class 1/2009
- Audit Committee and Continuing Development Program, Class 28/2009
- Monitoring the Quality of Financial Reporting Program, Class 9/2009
- Role of the Chairman Program, Class 23/2012

**Shareholding Proportion** : None

#### Positions in the Company (Present)

- Independent Director, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee, Index International Group PCL.

#### Positions in Other Listed Companies (Present)

- Independent Director, Asia Green Energy PCL.

#### Positions in Non - listed Companies/

##### Other Positions (Present)

- Secretary - General (7<sup>th</sup> term for 3 year position), Council of Engineers
- Director, Grand UB Company Limited
- Advisor, Crystalola Company Limited

#### Working Experiences in the Previous 5 Years

- Director, Delaw Aerospace Company Limited



### **Associate Professor Dr. Chotchai Charoenngam**

Independent Director,  
Member of Audit Committee and  
Chairman of Risk Management Committee

Age : 57 years

Date of Appointment : 12 September 2017

#### **Educations/Training Program**

- Doctor of Engineering (Civil Engineering), Texas State University, USA
- Master of Engineering (Civil Engineering), Kansas State University, USA
- Bachelor of Engineering (Civil Engineering), King Mongkut's University of Technology Thonburi
- Director Certification Program (DCP) Class 190/2014
- IT Governance : Issues for Boards Program, IOD
- Boards that make Difference Program (Class 1)
- Anti - Corruption Executive Program

**Shareholding Proportion** : 0.03%

#### **Positions in the Company (Present)**

- Independent Director,  
Member of Audit Committee and  
Chairman of Risk Management Committee,  
Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

#### **Positions in Non - listed Companies/**

##### **Other Positions (Present)**

- Chairman of the Board of Directors and  
Chairman of the Audit Committee,  
Masstech Link Co., Ltd.
- Director, Princess Mother's  
Medical Volunteer Foundation
- Member of Expert Committee,  
Private Investment in Public Affairs (PPP),  
Ministry of Finance
- Associate Professor, Faculty of Engineering and  
Technology Asian Institute of Technology (AIT)

#### **Working Experiences in the Previous 5 Years**

- Independent Director, Electricity Generating PCL.



### **Mrs. Nipa Markpradit**

Independent Director,  
Member of Audit Committee and Chairman  
of the Nomination and Remuneration Committee

Age : 56 years

Date of Appointment : 12 September 2017

#### **Educations/Training Program**

- Bachelor of Business Administration in Accounting,  
Ramkhamhaeng University
- Tax Auditor Training Program
- Director Accreditation Program (DAP) Class 145/2018

**Shareholding Proportion** : 0.03%

#### **Positions in the Company (Present)**

- Independent Director, Member of Audit Committee  
and Chairman of the Nomination and Remuneration  
Committee, Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

#### **Positions in Non - listed Companies/**

##### **Other Positions (Present)**

- Member of Executive Committee and Internal Auditor,  
Pakkred Hospital Foundation
- Advisor, TJP Group
- Advisor Thai Farmers Products Success Group
- Executive, NTC Accounting Office
- Chairman, Techin - Intouch  
Accounting and Law Co., Ltd.
- Member of Sub-Committee, Association of  
Accounting and Law Offices

#### **Working Experiences in the Previous 5 Years**

- Owner, Intouch Accounting and Law Co., Ltd.





### Dr. Chainarong Na Lamphun

Director, Chairman of Executive Committee,  
Member of Risk Management Committee,  
Member of the Nomination and Remuneration  
Committee and Chief Executive Officer

Age : 70 years

Date of Appointment : 6 October 1983

#### Educations/Training Program

- Honorary Doctorate Degree in Engineering (Civil Engineering), Kasetsart University
- Master of Engineering (Water Resources Development), Asian Institute of Technology (AIT)
- Bachelor of Engineering (Irrigation Engineering), Kasetsart University
- National Defense of the State, Private Sectors and Politics Program (Class 2), National Defense College
- Director Certification Program (DCP) Class 67/2005
- Director Accreditation Program (DAP) Class 142/2018

**Shareholding Proportion** : 29.41%

#### Positions in the Company (Present)

- Director, Chairman of Executive Committee, Member of Risk Management Committee, Member of the Nomination and Remuneration Committee and Chief Executive Officer, Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

**Positions in Non - listed Companies/**

#### Other Positions (Present)

- Director, Q-Pro Management Co., Ltd.

#### Working Experiences in the Previous 5 Years

- Chairman and Managing Director, Index International Group Co., Ltd.



### Mr. Suchart Kadjinakul

Director,  
Member of Risk Management Committee,  
Member of Executive Committee and  
Deputy Chief Executive Officer (Operation)

Age : 70 years

Date of Appointment : 15 March 2007

#### Educations/Training Program

- Master of Engineering (Civil Engineering), Lamar University, USA
- Bachelor of Engineering (Civil Engineering), Kasetsart University
- Director Accreditation Program, Class 141/2017

**Shareholding Proportion** : 0.45%

#### Positions in the Company (Present)

- Director, Member of Risk Management Committee, Member of Executive Committee and Deputy Chief Executive Officer (Operation), Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

**Positions in Non - listed Companies/**

#### Other Positions (Present)

- Director, Than Nithi Co., Ltd.

#### Working Experiences in the Previous 5 Years

- Construction Supervision Manager, Index International Group Co., Ltd.



### Dr. Pornlapas Na Lamphun

Director,  
Member of Executive Committee and  
Deputy Chief Executive Officer (Management)

Age : 38 years

Date of Appointment : 24 February 2015

#### Educations/Training Program

- Ph.D. in International Business (Financial Economics), Asian Institute of Technology (AIT)
- Master of Science in Economics, Murray State University, USA
- Bachelor of Economics (Honors), Chiang Mai University
- Certificate, Director Certification Program, Class 199/2015

**Shareholding Proportion :** 9.50%

#### Positions in the Company (Present)

- Director, Member of Executive Committee and Deputy Chief Executive Officer (Management), Index International Group PCL.

**Positions in Other Listed Companies (Present) :** None

#### Positions in Non - listed Companies/

##### Other Positions (Present)

- Director, Q-Pro Management Co., Ltd.
- Director, Panala Co., Ltd.

#### Working Experiences in the Previous 5 Years

- Deputy Managing Director, Index International Group Co., Ltd.
- Assistant Managing Director, Index International Group Co., Ltd.



### Ms. Nannapat Kongrod

Director,  
Member of Executive Committee and  
Assistant Chief Executive Officer  
(Accounting and Finance)

Age : 54 years

Date of Appointment : 2 December 2010

#### Educations/Training Program

- Bachelor of Arts, General Management, Valaya Alongkorn Rajabhat University
- Director Accreditation Program, Class 141/2017
- Strategic CFO In Capital Markets Program, Class 5, 2017
- Changes in financial reporting standards Program; 3 Important Issue TFRS15 and Draft of TFRS9, TFRS16 in 2018
- Strategic Financial Leadership Program 2018
- CFO in Practice Certificate Program Class 7/2017, Federation of Accounting Professions
- CFO Refresher Course Class 1/2020

**Shareholding Proportion :** 1.49%

#### Positions in the Company (Present)

- Director, Member of Executive Committee and Assistant Chief Executive Officer (Accounting and Finance), Index International Group PCL.

**Positions in Other Listed Companies (Present) :** None

#### Positions in Non - listed Companies/

##### Other Positions (Present) : None

#### Working Experiences in the Previous 5 Years

- Finance Manager, Index International Group Co., Ltd.





### Dr. Vuthichai Phanchet

Director, Member of Executive Committee,  
Member of Risk Management Committee and  
Assistant Chief Executive Officer (Special Project)

Age : 63 years

Date of Appointment : 24 February 2015

#### Educations/Training Program

- Ph.D. in Transportation Engineering, University of Cincinnati, Ohio, U.S.A.
- Master of Engineering in Transportation Engineering, University of Virginia, Virginia, U.S.A.
- Master of Science in Structural Engineering, University of Cincinnati, Ohio, U.S.A.
- Bachelor of Engineering in Civil Engineering, Chulalongkorn University
- Director Accreditation Program (DAP), Class 145/2018

**Shareholding Proportion** : 1.04%

#### Positions in the Company (Present)

- Director, Member of Executive Committee, Member of Risk Management Committee and Assistant Chief Executive Officer (Special Project), Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

#### Positions in Non – listed Companies/

##### Other Positions (Present)

- Managing Partner, Kowit Office Limited Partnership and Companions
- Managing Partner, Chaochom Somboon Ltd., Part.
- Director, Otto Intertrade Co., Ltd.
- Director, Pacific – Atlantic Trade Co., Ltd.

#### Working Experiences in the Previous 5 Years

- Deputy Managing Director (Major Projects), Index International Group Co., Ltd.
- Deputy Project Manager (Project Management Consultancy for MRT Blue Line Project), Index International Group Co., Ltd.



### Mr. Thaworn Jidjong

Member of Executive Committee and  
Assistant Chief Executive Officer (Engineering)

Age : 63 years

Date of Appointment : 21 February 2019

#### Educations/Training Program

- Bachelor of Engineering (Irrigation Engineering), Kasetsart University

**Shareholding Proportion** : 1.81%

#### Positions in the Company (Present)

- Member of Executive Committee and Assistant Chief Executive Officer (Engineering), Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

#### Positions in Non – listed Companies/

##### Other Positions (Present)

#### Working Experiences in the Previous 5 Years

- Project Manager, Index International Group Co., Ltd.
- Project Engineer, Index International Group Co., Ltd.



### Mr. Chumpol Sangkapreecha

Member of Executive Committee and  
Assistant Chief Executive Officer  
(Business Development)

Age : 55 years

Date of Appointment : 21 February 2019

#### **Educations/Training Program**

- Master of Business Administration,  
Ramkhamhaeng University
- Bachelor of Engineering,  
Chiang Mai University

**Shareholding Proportion** : None

#### **Positions in the Company (Present)**

- Member of Executive Committee and  
Assistant Chief Executive Officer  
(Business Development),  
Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

**Positions in Non - listed Companies/  
Other Positions (Present)** : None

#### **Working Experiences in the Previous 5 Years**

- Project Manager (Major Projects),  
Index International Group Co., Ltd.
- Senior Business Development Coordinator,  
Unique Engineering and Construction PCL.



### Mr. Rathawit Na Lamphun

Member of Executive Committee, Assistant  
Chief Executive Officer (Office of Chief  
Executive Officer), and Company Secretary

Age : 33 years

Date of Appointment : 15 August 2012

#### **Educations/Training Program**

- Master of Business Administration,  
Asian Institute of Technology (AIT)
- Bachelor of Political Science in International Relations,  
University of Washington

**Shareholding Proportion** : 5.05%

#### **Positions in the Company (Present)**

- Member of Executive Committee,  
Assistant Chief Executive Officer  
(Office of Chief Executive Officer),  
Acting Assistant Chief Executive Officer  
(Administrative Division) and Company Secretary,  
Index International Group PCL.

**Positions in Other Listed Companies (Present)** : None

**Positions in Non - listed Companies/  
Other Positions (Present)**

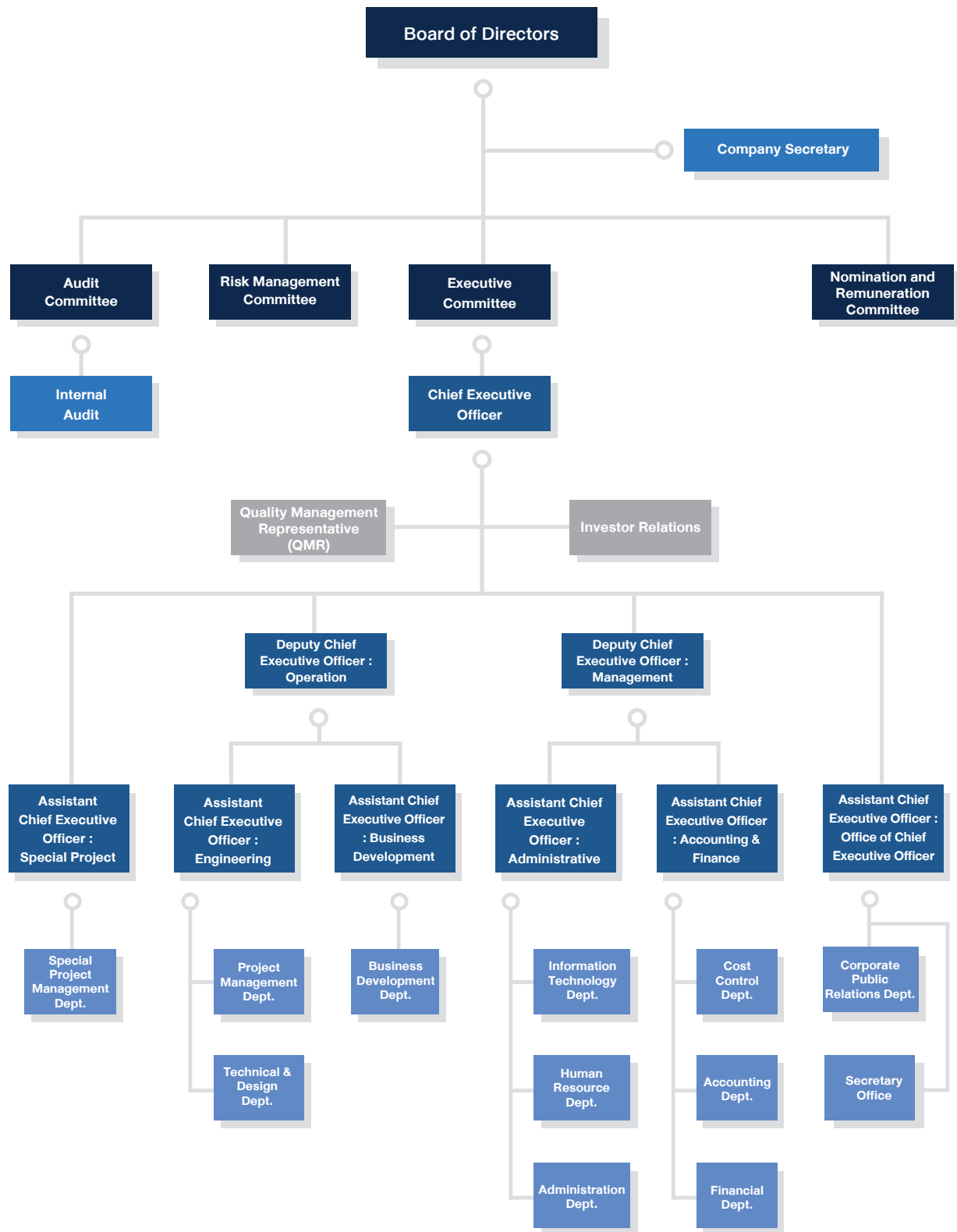
- Director, Q-Pro Management Co., Ltd.

#### **Working Experiences in the Previous 5 Years**

- Assistant Managing Director and  
Company Secretary,  
Index International Group Co., Ltd.



## ORGANIZATION CHART



## GENERAL INFORMATION

### General Information

<b>Company Issuing Securities</b>	: Index International Group Public Company Limited
<b>Company Registration Number</b>	: 0107563000096
<b>Symbol</b>	: IND
<b>Type of Business</b>	: Engineering consultation business regarding the survey work and the feasibility study of projects, conceptual design and detailed design, project management and construction supervision, and design-build services
<b>Location of Head Office</b>	: 1/814, Moo 17, Khukot Sub-district, Lam Lukka District, Pathumthani Province, 12130
<b>Phone</b>	: (66) 2 532 3623 - 33
<b>Fax</b>	: (66) 2 532 3566
<b>Website (URL)</b>	: <a href="http://www.index.co.th">http://www.index.co.th</a>
<b>Registered Capital</b>	: 175,000,000 Baht (One hundred seventy-five million Baht)
<b>Paid-up Capital</b>	: 175,000,000 Baht (One hundred seventy-five million Baht)
<b>Par value per share</b>	: 0.50 Baht (Fifty Satang)

### Information of Other References

<b>Securities Registrar</b>	: Thailand Securities Depository Company Limited No. 93, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok, 10400 Phone (66) 2 009 9000 Fax (66) 2 009 9991
<b>Auditor</b>	: PricewaterhouseCoopers ABAS Company Limited Miss Rodjanart Banyatananusard, Certified Public Accountant No. 8435 179/74-80 Bangkok City Tower, 15 <sup>th</sup> Floor, South Sathorn Road, Thungmahamek, Sathon, Bangkok, 10120 Phone (66) 2 844 1000 Fax (66) 2 286 5050
<b>Legal Advisor</b>	: Tilleki & Gibbins International Limited Supalai Grand Tower, 26 <sup>th</sup> Floor, 1011, Rama 3 Road, Chongnonsi, Yannawa, Bangkok, 10120 Phone (66) 2 253 5555 Fax (66) 2 653 5678





## SIGNIFICANT FINANCIAL DATA

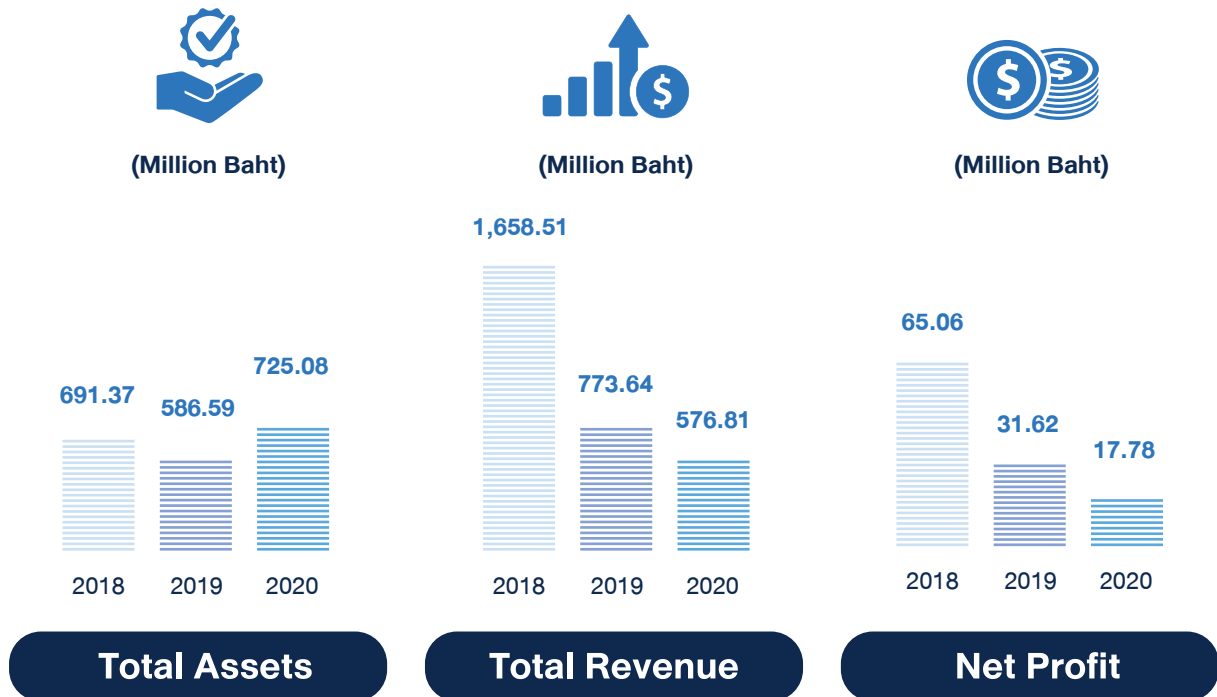
(Unit : Million Baht)

FINANCIAL STATUS	2018	2019	2020
Current Assets	586.70	489.40	625.98
Non-Current Assets	104.67	97.19	99.10
Total Assets	691.37	586.59	725.08
Trade and Other Payables	417.38	308.89	281.83
Total Liabilities	532.06	395.86	364.82
Paid-up Capital	50.00	50.00	175.00
Total Shareholders' Equity	159.31	190.73	360.26
Total Liabilities and Shareholders' Equity	691.37	586.59	725.08
PERFORMANCE	2018	2019	2020
Revenue from Services	1,657.04	771.00	573.35
Other Income	1.47	2.64	3.46
Total Revenue	1,658.51	773.64	576.81
Cost of Services	(1,480.60)	(633.27)	(468.20)
Administrative Expenses	(93.51)	(99.02)	(85.34)
Gross Profit Margin	176.44	137.73	105.16
Net Profit Margin	65.06	31.62	17.78
Earning per Share (EPS) (Baht/Share)	0.65	0.32	0.08

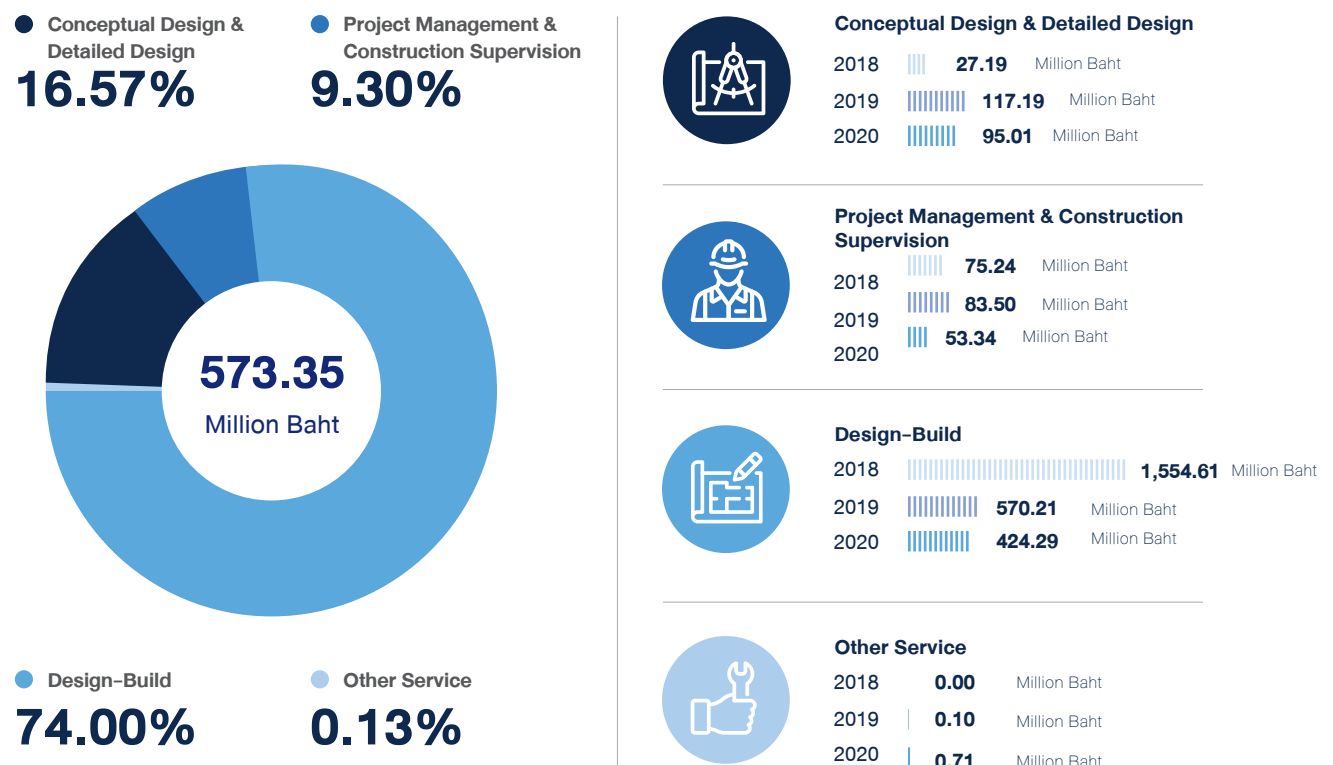
## Significant Financial Ratio

	Unit	2018	2019	2020
Current Ratio	Times	1.17	1.36	1.89
Quick Ratio	Times	0.70	0.75	1.30
Gross Profit Margin	%	10.65	17.86	18.34
Net Profit Margin	%	3.92	4.09	3.08
ROE	%	51.66	18.07	6.45
ROA	%	9.62	4.95	2.71
D/E Ratio	Times	3.34	2.08	1.01
Interest-bearing D/E Ratio	Times	0.13	0.05	0.02

## SUMMARY OF FINANCIAL STATUS FOR THE YEAR 2018–2020



## CLASSIFIED BY TYPE OF SERVICE INCOME FOR THE YEAR 2020





## POLICY AND OVERVIEW OF BUSINESS OPERATION

Index International Group Public Company Limited (“Company” or “IND”) was founded by a group of 7 Thai engineers on September 12, 1983. The founder, major shareholder, and key executive is Dr. Chainarong Na Lamphun who is an engineer with expertise in engineering. The Company was established with an initial registered capital of 1,000,000 Baht (one million Baht only) to operate the business of engineering consultation relating to conceptual & detailed design, including project management and construction supervision. Later, in 2011, the scope of service was added to cover the Design-Build service for customers in both public and private sectors. Currently, the Company has the registered capital of 175,000,000 Baht, and paid-up capital of 175,000,000 Baht, divided into 350,000,000 ordinary shares at a par value of 0.50 Baht per share.

With over 38 years of management experience, the Company has developed its competencies in providing a full range of engineering services, including the preparation of master plans and project feasibility studies, topographic map survey, financial, economic and investment analysis and study, environmental impact prevention planning, calculation and detailed design in engineering and architecture, project management, and supervision of construction completion. Domestic and international personnel with high potential, experience and expertise in various fields is used, including the application of appropriate technologies to enhance the operational efficiency in accordance with the economic development and progress of the country. From the past to the present, the Company has been involved in the development of public utilities and infrastructures of the country, such as transportation, road network, public transportation system, and rail, air, water and pipeline transportation systems, including the development of logistics management standards which facilitate and enhance the efficiency of transportation, development of main cities, and oil depots for the public and private sectors to support the growth of the country.



Since 2011, the Company's services can be divided into 3 categories, classified by the type of services as follows; 1) Conceptual Design & Detailed Design, 2) Project Management & Construction Supervision, and 3) Design - Build Service.

Over years, since the establishment of the Company, the Company has improved and developed the organization to meet international standards and developed personnel in the organization. As a result, the Company has been certified by ISO 9001: 2015 (Revised version of ISO 9001: 2008) from United Registrar of Systems, which is the certification of the standard of the Company's operational system efficiency in terms of design service, construction supervision, and project management to encourage the Company to expand its services and grow sustainably in the future.

## 1. Vision, Objectives, Goals and Operational Strategies

The company has determined vision, mission, organizational value and business action plan as follows;

### Vision

It is a leading engineering consulting company and a leader in the business of design and construction for the investment in infrastructures, public utilities, and real estate with comprehensive services. It operates its business with the good governance system to employers, shareholders and employees, and also develops the organization to be a learning organization in order to increase the competency of personnel.

### Mission

- 1) Developing the organization towards engineering excellence and project management innovation.
- 2) Expanding business in terms of infrastructure and real estate development with quality works.
- 3) Creating works that are beneficial to employers and society and being responsible for the community and environment.
- 4) Continuously supporting the development of employees' capabilities for professional works.
- 5) Ensuring the quality of work life of all employees at all levels in the organization.

### Organizational Value

"Think and Work Successfully" with the commitment to develop engineering progress and customers' impression and move forward to international standards.

### Goals and Business Action Plan

- 1) Aiming to allow the target customers to be aware of or know the Company's services in terms of reputation, performances, and experiences in which the Company has expertise through the publicity of its image, reliability, performances and strength.
- 2) Providing the continuous growth in revenue and profit in all sections, including conceptual design and detailed design, project management and construction supervision, and design-build work through services to existing customers and expanding the market to target customers, including government and state enterprise customers, private agencies, and customers in CLMV countries.

## 2. Major Changes and Developments

Index Company International Group Public Company Limited was established on September 12, 1983 with an initial registered capital of 1,000,000 Baht (one million Baht), divided into 10,000 ordinary shares at a par value of 100 Baht per share. It engages in the business of engineering consultation relating to Conceptual & Detailed Design, Project Management & Construction Supervision, and Design-Build service for customers in both public and private sectors. The services are provided by a team of engineers and architects who have experiences and expertise in various fields. The Company also applies appropriate technologies to enhance operational efficiency and finally gains the reliability, trust and confidence from customers.

The Company has continuously increased its registered capital to support the auction of projects and use it as a working capital for business expansion. Throughout the years, the initial registered capital of 1,000,000 Baht increased to 3,000,000 Baht, 5,000,000 Baht, 10,000,000 Baht, 20,000,000 Baht, 35,000,000 Baht, 50,000,000 Baht and 130,000,000 Baht, respectively. On April 27, 2020, the Company registered as a public limited company and changed its par value from the original par value of 100 Baht per share to a par value of 0.50 Baht per share. In addition, the Company also increased its registered capital by 45,000,000 Baht by issuing 90,000,000 newly issued ordinary shares at a par value of 0.50 Baht per share for Initial Public Offering (IPO). As such, the Company has the total registered capital of 175,000,000 Baht, and the paid-up capital of 175,000,000 Baht, divided into 350,000,000 ordinary shares at a par value of 0.50 Baht per share.

Since the establishment of the Company in 1983, the Company's backgrounds and significant developments are as follows;

## 1983 |

- On September 12, 1983, Dr. Chainarong Na Lamphun and a group of 7 engineers, including the founder, jointly established Index International Group Company Limited with a registered capital of 1,000,000 Baht, consisting of 10,000 ordinary shares at a par value of 100 Baht per share. It engages in the business of engineering consultation relating to Conceptual & Detailed Design and Project Management & Construction Supervision for customers in both public and private sectors. (Currently, only Dr. Chainarong Na Lamphun is the Chief Executive Officer of the Company who still participates in the management of the Company.)
- On November 2, 1983, the Company increased its registered capital from 1,000,000 Baht to 3,000,000 Baht by issuing 20,000 ordinary shares at a par value of 100 Baht per share at the offering price of 100 Baht per share. They were offered to the existing shareholders according to the shareholding proportion in order to support large-scale auctions and use it as a working capital for business expansion.

## 2003 |

- The Company was a juristic member of the Engineering Institute of Thailand under H.M. the King's Patronage in the type of lifetime membership with the Member Number C1/016.

## 2005 |

- The Company was certified by ISO 9001: 2000 standard (Duration : September 30, 2005 - July 27, 2008).

## 2009 |

- The Company was certified by ISO 9001: 2008 standard (Duration: August 17, 2009 - August 21, 2011).

## | 1991

- On March 11, 1991, Index International Group Company Limited increased its registered capital from 3,000,000 Baht to 5,000,000 Baht by issuing 20,000 ordinary shares at a par value of 100 Baht per share at the offering price of 100 Baht per share. They were offered to the existing shareholders according to the shareholding proportion in order to support large-scale auctions and use it as a working capital for business expansion.

## | 2002

- The Company obtained the License for Professional Practice, Controlled Engineer, No. 0125/45 and was a member of the Council of Engineers.
- The Company was a juristic member of the Consulting Engineers Association of Thailand under the License No. 561/2545.

## | 2004

- On June 23, 2004, Index International Group Company Limited increased its registered capital from 5,000,000 Baht to 10,000,000 Baht by issuing 50,000 ordinary shares at a par value of 100 Baht per share at the offering price of 100 Baht per share. They were offered to the existing shareholders according to the shareholding proportion in order to support large-scale auctions and use it as a working capital for business expansion.

## | 2008

- The Company was certified by ISO 9001: 2000 (Duration : August 22, 2008 - August 21, 2011).



## I 2011

- The Company expanded the scope of Design-Build services by accepting construction works in the part that the Company provided Design-Build services of such project.
- Company was certified by ISO 9001: 2008 (Duration : July 27, 2011 - July 27, 2014).

## 2014 I

- On March 6, 2014, Index International Group Company Limited increased its registered capital from 10,000,000 Baht to 20,000,000 Baht by issuing 100,000 ordinary shares at a par value of 100 Baht per share at the offering price of 100 Baht, 140 Baht and 160 Baht per share. They were offered to the existing shareholders according to the shareholding proportion in order to support large-scale auctions and use it as a working capital for business expansion.
- The Company was certified by ISO 9001 : 2008 (Duration: August 22, 2014 - August 21, 2017).

## I 2015

- On February 24, 2015, Index International Group Company Limited increased its registered capital from 20,000,000 Baht to 35,000,000 Baht by issuing 150,000 newly issued ordinary shares at a par value of 100 Baht per share at the offering price of 160 Baht and 180 Baht per share. They were offered to the existing shareholders according to the shareholding proportion in order to support large-scale auctions and use it as a working capital for business expansion.

## 2016 I

- On February 18, 2016, Index International Group Company Limited increased its registered capital from 35,000,000 Baht to 50,000,000 Baht by issuing 150,000 newly issued ordinary shares at a par value of 100 Baht per share at the offering price of 160 Baht per share. They were offered to the existing shareholders according to the shareholding proportion in order to support large-scale auctions and use it as a working capital for business expansion.
- The Company was certified by ISO 9001: 2015 (Duration : October 7, 2016 - August 21, 2017).

## I 2017

- The Company was certified by ISO 9001: 2015 (Duration : (August 22, 2017 - August 21, 2020).
- The Company registered as a consultant of Consultant Database Center, Public Debt Management Office, Ministry of Finance, in the type of juristic person, No. 654, Level 1, in the fields of Agriculture and Rural Development, Construction Industry, Energy, Transportation, and Urban Development (Duration : October 18, 2017 - October 17, 2020).

## 2018 I

- The Company was certified by ISO 9001: 2015 (Duration : October 25, 2017 - August 21, 2020).

## Major Changes in 2020

### February

- On February 10, 2020, the Company signed a Conceptual Design Agreement and estimated the cost for the construction of the northern oil pipeline system extension (Saraburi-Angthong) with Fuel Pipeline Transportation Limited. The operational period was approximately 45 days.

### April

- On April 20, 2020, the Extraordinary General Meeting of Shareholders No. 1/2563 passed the resolution to approve the following matters;
  - 1) Approving the changes of par value and amending the number of ordinary shares of the Company by approving the change of par value from the original value of 100 Baht per share to the par value of 0.50 Baht per share; the Company had the total paid-up capital of 130,000,000 Baht. After changing the value of such shares, the Company's total number of ordinary shares was 260,000,000 shares.
  - 2) Approving the increase of the Company's registered capital for fundraising and providing the Initial Public Offering (IPO) in the amount of 45,000,000 Baht by issuing 90,000,000 newly issued ordinary shares at a par value of 0.50 Baht per share from the original registered capital of 130,000,000 Baht, divided into 260,000,000 ordinary shares at a par value of 0.50 Baht per share and the registered capital of 175,000,000 Baht, divided into 350,000,000 ordinary shares at a par value of 0.50 Baht per share.
  - 3) Approving the allocation of 90,000,000 newly issued ordinary shares at a par value of 0.50 Baht per share, accounting for 45,000,000 Baht for Initial Public Offering (IPO).
  - 4) Approving the conversion to a public limited company and changed its name to "Index International Group Public Company Limited".
- On April 27, 2020, the Company converted from a limited company to a public limited company and changed its name to Index International Group (Public) Company Limited, and also registered the capital increase with the Ministry of Commerce. As a result, the Company had the registered capital of 175,000,000 Baht and the issued and paid-up capital of 130,000,000 Baht.
- On April 28, 2020, the Company signed a contract of consultant employment for feasibility study of the construction of Bueng Kan Airport, Mueang Bueng Kan District, Bueng Kan Province with the Department of Airports. The operational period was approximately 9 months.
- On April 30, 2020, the Board of Directors' Meeting No. 1/2563 (the first time meeting after the conversion to a public company) passed the resolution to approve the listing of the Company's ordinary shares as listed securities on the Market for Alternative Investment (MAI).

### March

- On March 27, 2020, the Company increased its registered capital from 50,000,000 Baht to 130,000,000 Baht, increased by 80,000,000 Baht, by issuing 800,000 newly issued ordinary shares at a par value of 100 Baht per share at the offering price of 100 Baht per share. They were offered to the existing shareholders according to the shareholding proportion in order to support large-scale auctions and use it as a working capital for business expansion.
- On March 31, 2020, the Company signed a consultation service agreement with MAA Consultants Company Limited to conduct a review of the detailed design of Thailand-China Railway Cooperation Project, Bangkok - Nong Khai Section (Phase 2). The operational period was approximately 7 months.

### May

- On May 7, 2020, the Company signed a contract of consultant employment to provide engineering services for survey and detailed design of the 4-lane highway survey and design project, Phanat Nikhom bypass (Northern part) with the Department of Highways. The operational period was approximately 12 months.
- On May 22, 2020, the Company signed a contract of independent engineer employment to inspect and certify the condition of the Second Stage Expressway, A, B and C Parts, with the Expressway Authority of Thailand. The operation period was approximately 6 months.

### June

- On June 4, 2020, the Company has signed a contract of consultation service for feasibility study in terms of economy, engineering and environmental impacts of the Udon Thani-Bueng Kan Highway Network Construction Project with the Department of Highways. The operation period was approximately 14 months.

## July

- On July 17, 2020, the Company registered to be a juristic member in the type of lifetime membership, No. C1-016, with the Engineering Institute of Thailand under H.M. the King's Patronage.

## August

- On August 5, 2020, the Company signed a contract of employment for the project of design and construction of 1 aviation fuel storage tank (T-2306) with a capacity of 15,000 cubic meters and related system equipment at the Suvarnabhumi Aviation Fuel Storage Station with Bangkok Aviation Fuel Service Public Company Limited. The operation period was approximately 6 months.
- On August 22, 2020, the Company was certified by ISO 9001 : 2015 (Duration : August 22, 2020 - August 21, 2023).

## September

- On September 4, 2020, the Company signed a contract of consultation service for detailed design of Thailand-China Railway Cooperation Project, Bangkok - Nong Khai Section (Phase 2, Bangkok-Nong Khai Section) (2), with MAA Consultant Company Limited. The operational period was approximately 4 months.

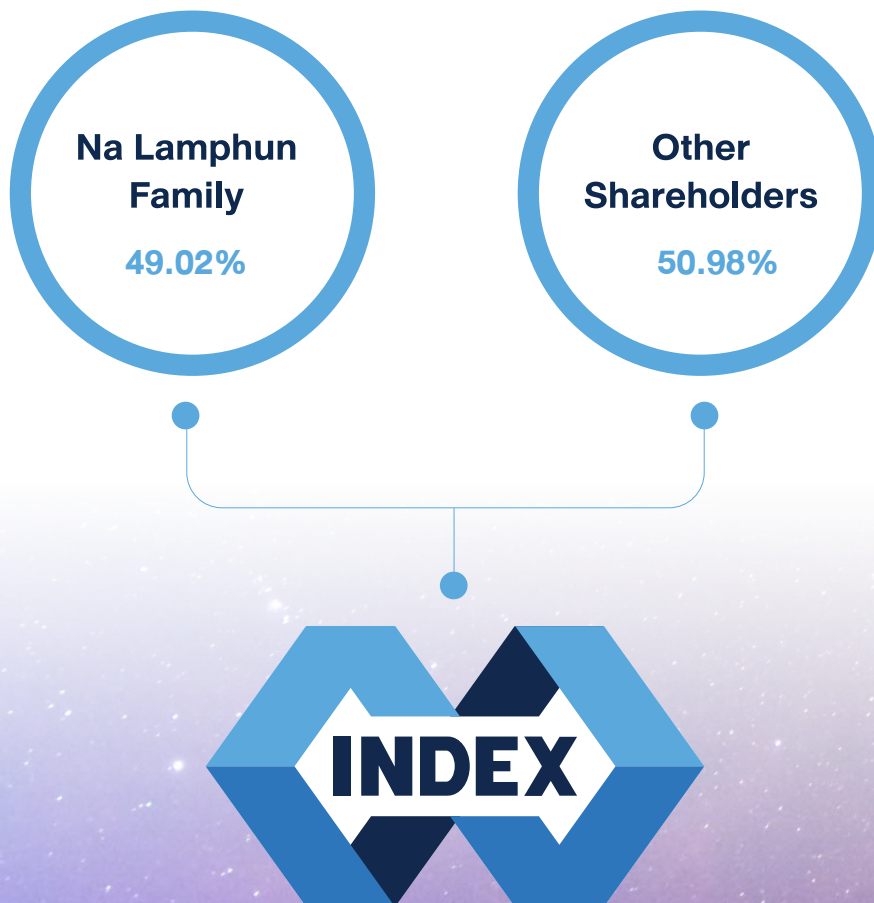
## December

- On December 1, 2020, the Company signed a contract dated December 1, 2020. The Company signed the employment contract to supervise the land leveling for the construction of the taxiway 1, and the apron of the Aircraft Maintenance Center with the Department of Naval Civil Engineers. The operational period was approximately 19 months.
- On December 2, 2020, the Securities and Exchange Commission notified and granted permission to the Company to offer newly issued shares to the public.
- On December 22, 2020, the Company started trading ordinary shares on MAI with the registered capital and the paid-up capital of 175,000,0000 Baht.



### 3. Company's Shareholding Structure

Shareholding Structure as at December 24, 2020



Index International Group Public Company Limited

Registered Capital  
175.00 million Baht

Paid-up Capital  
175.00 million Baht

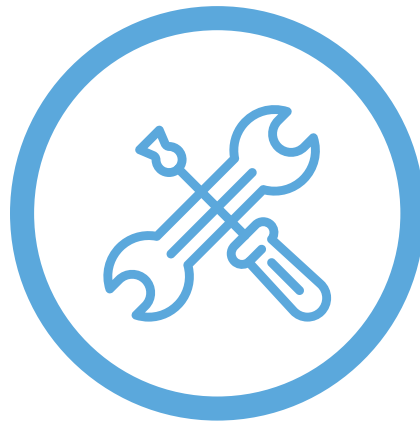
#### Nature of Business

Business of engineering consultation in terms of survey work and project feasibility study, conceptual design and detailed design, construction supervision and project management, and design-build services



## NATURE OF BUSINESS

Index International Group Public Company Limited (“Company” or “IND”) is a company that provides services of engineering consultation in various forms, including survey and feasibility studies, conceptual and detailed design, project management and construction supervision, and design-build service to customers in both public and private sectors. The services are provided by a team of engineers and architects who have experiences and expertise in various fields. In addition, appropriate technologies are also applied to enhance operational efficiency and finally gains the reliability, trust and confidence from customers.



The Company has experiences and expertise and has provided services in all fields of engineering, covering a full range of operations, including feasibility studies, preparation of master plans, project feasibility studies, topographic map survey, financial, economic and investment analysis and study, environmental impact analysis and study, calculation and detailed design in engineering and architecture, project management and supervision of construction completion, and inspection, monitoring and evaluation in various areas.

From the past to the present, the Company has been involved in strengthening the economic and social foundation by participating in the development of public

utilities and infrastructures, such as transportation, road network, air and water public transportation system and pipeline transportation, development of logistics management standards, which facilitate and enhance the efficiency of transportation, development of main cities, tank farm, renewable energy, and other projects relating to the development and progress of the nation for the public and private customers.

Since 2011, the Company's services can be divided into 3 categories, classified by the type of service as follows; 1) Conceptual Design and Detailed Design, 2) Project Management and Construction Supervision and, 3) Design-Build.

## Income Structure of the Company

The operating income of the Company is categorized by the type of service. In 2018-2020, the income structure was as follows;

Income Structure	2018		2019		2020	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<b>Income structure categorized by the type of service</b>						
<b>1) Conceptual Design and Detailed Design</b>	<b>27.19</b>	<b>1.64</b>	<b>117.19</b>	<b>15.15</b>	<b>95.01</b>	<b>16.47</b>
- Government/State-Enterprise	27.19	1.64	97.78	12.64	56.86	9.86
- Private	-	-	19.41	2.51	38.15	6.61
<b>2) Project Management and Construction Supervision</b>	<b>75.24</b>	<b>4.54</b>	<b>83.50</b>	<b>10.80</b>	<b>53.34</b>	<b>9.25</b>
- Government/State-Enterprise	59.85	3.61	71.94	9.30	42.30	7.33
- Private	15.39	0.93	11.56	1.50	11.04	1.91
<b>3) Design-Build</b>	<b>1,554.61</b>	<b>93.73</b>	<b>570.21</b>	<b>73.70</b>	<b>424.29</b>	<b>73.56</b>
- Government/State-Enterprise	84.18	5.07	-	-	-	-
- Private	1,470.43	88.66	570.21	73.70	424.29	73.56
<b>4) Other Services <sup>/1</sup></b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>0.01</b>	<b>0.71</b>	<b>0.12</b>
- Government/State-Enterprise	-	-	-	-	-	-
- Private	-	-	0.10	0.01	0.71	0.12
<b>Total Service Income</b>	<b>1,657.04</b>	<b>99.91</b>	<b>771.00</b>	<b>99.66</b>	<b>573.35</b>	<b>99.40</b>
Other Incomes <sup>/2</sup>	1.47	0.09	2.64	0.34	3.46	0.60
<b>Total Income</b>	<b>1,658.51</b>	<b>100.00</b>	<b>773.64</b>	<b>100.0</b>	<b>576.81</b>	<b>100.00</b>

Remarks

<sup>/1</sup> Other services include Test and Calibrate Additive Injection.

<sup>/2</sup> Other incomes are interest income, profit from the disposal of assets, income from documentation, income from purchases and sales of products other than those specified in contracts, income from disposal of assets that are not used in the Company's operation, etc.



## Nature of Products and Services

### Nature of Business of the Company

The Company engages in the business of engineering consultation services, including survey and project feasibility studies, detailed design, construction supervision, project management, and design-build service to public and private agencies. The services are provided by a team of engineers who have experiences and expertise in various fields, internal personnel, and external independent experts to conduct operations in order to meet the objectives of customers who are the project owner.

#### 1) Nature of Service Categorized by Type of Service

The Company has various service types which can be divided into 3 types, classified by the type of service as follows;

##### (1) Conceptual Design & Detailed Design

Conceptual Design & Detailed Design consists of the following operations;

##### Master Plan and Feasibility Study

Master plan and feasibility study are procedures for studying the feasibility of a project before starting a large-scale project. Master Plan is a conceptual design or planning, setting guidelines and operating models, and establishing a clear strategy, in order to be applied as a framework for directing medium to long-term operations. It must be consistent with and respond to changes of the internal and external environment, such as the master plan of public transportation development (Setting the route of the BTS and MRT system). In terms of the Feasibility Study, the technical and design department will analyze the feasibility and possibility of the project covering important areas, such as engineering, economics, society, and environment, etc., in order to ensure that the project has the practical possibility and returns or benefits worth for investment and is able to achieve the objectives specified under the restrictions on budget and time.

The Company will review the national strategic plan, including the National Economic and Social Development Plan, Master Plan of Transportation and Traffic, strategic plans of ministries and any agencies, government action plans, regional and provincial development plans, and related development project plan. Reviewed data of plans is up-to-date by analyzing the connection of each plan to apply to this study. The Company will then study, survey, and analyze the socio-economic data of the areas to be studied at the national, regional, and provincial level, and the influential areas of the project. This includes information, such as gross product, population, employment, income, registered vehicle data, industry data, tourism information, economic and social condition indicators, and other important and necessary economic data, which will affect the project in the study area. The data used for analysis must be up-to-date. In addition, the Company also studies and analyzes trends of changes in socio-economic conditions and other changes that will affect future projects. The procedures of setting the master plan and feasibility studies are as follows;

- Master Plan (Overview of Project)
- Survey and project site visit
- Survey and analysis of transportation and traffic
- Economic and social surveys and analysis
- Study of feasibility and possibility of project, for example, study of economic worthiness, study of engineering technical feasibility, and study of environmental impact

In addition to the abovementioned studies, the Company also offers specific project services, such as

- Regional development
- Development of power energy and hydropower
- Community and residential development
- Urban planning and development of new areas
- Industrial area planning
- Building planning in communities

### Detailed Design

When the project is implemented until the phase of design stage, the technical and design department will start performing the engineering design for using for the bidding and construction, including preparing the Bill of Quantities (BOQ). The procedures start from reviewing past studies, collecting and inspecting data, and preparing information necessary for the design, such as providing aerial or satellite imagery, survey of topography, alignments, leveling, buildings, public utilities, and other details necessary for the design and the arrangement of land ownership, including the boundaries declared as a conservation area or any other special area in the project area, soil and material inspection, traffic data collection and survey, provision or survey to obtain hydrographic information, hydrology, meteorology, wind data, wave data, tide data, construction material source, survey of assets and data for initial expropriation without decrees (if any), as well as any related study reports and documents in the project area and surrounding areas. Such collected data is then used for study and analysis to perform detailed design in terms of geometry, structures, engineering-related systems, such as drainage system, security, lighting system, and landscaping, according to the design criteria and standards. In addition, the department will offer material sources for construction, estimate work quantities, prepare the estimate of the construction cost and material and equipment cost of the project,

maintenance cost, and project action plan, as well as provide complete and detailed bidding documents that are ready to be used in the construction bidding, in order to summarize as a guideline and suitable model for the detailed design. The procedures are as follows;

- Engineering conceptual design
- Engineering detailed design
- Preparation of models
- Determination of Bill of Material and preparation of construction drawings
- Preparation of other Bills of Quantities
- Information system

The Company provides technical and design services in the following areas;

- Airport
- Bridge and highway
- Buildings
- Dam
- Factory and Concrete foundry
- Port
- Reinforced concrete and prestressed concrete structures
- Tank farm and pipeline
- Mass transit system
- Water supply and sanitation work



## (2) Project Management & Construction Supervision

The Company provides services of Construction Supervision (CSC) and Project Management (PMC) by acting as the representative of the employer to manage and supervise the construction project in all procedures systematically from the planning of elements of the project, the recruitment of contractors, the detailed design, construction, to the post-delivery of construction project, personnel training, trial run, project incoming inspection, and project inspection during the guarantee period. Effective project management and supervision will be a key mechanism for controlling the construction period under the plan, the investment value within the budget, and the quality of project to meet the specified standards, financial standards, and related requirements or laws. The scope of work for operation is as follows;

- Providing personnel, architects, and engineers for engineering design.
- Managing projects according to the models and construction design and recruiting the main contractors.
- Preparation of contracts for supporting the construction.
- Service of checking prices for procurement of materials, tools, and machines from sellers and delivery.

- Controlling construction in accordance with the construction contract of the project owner, including construction plans, and supervising the construction completion within the specified period of the project.
- Other engineering services according to the needs of the employer.

In addition to the abovementioned services, if customers want the Company to recommend construction techniques to the contractor, the Company also provides other services according to the objectives of the customer. The company has a potential team of engineers and technicians to inspect, supervise, and manage projects according to the nature suitable for projects, such as civil work, electrical work, mechanical work, etc.

If the project is ready for construction, the company can go ahead on the project under the conditions of the agreement which will cover the project management and construction control also cost control and other expense of the project suitability.

## (3) Design-Build

The Company started its business in the design-build. The Company specializes in conceptual design and detailed design, construction supervision, and project management and provides services to both public and private agencies in the development of public utilities and infrastructure. The services are provided by a team of engineers and architects who have experience and expertise in various fields. From work experiences over the past period, the Company has been specialized in engineering consultation, including tank farm and pipeline engineering consultation, such as design and construction supervision of a 10,555 cubic meter oil storage tank at Don Muang Depot, construction supervision of 7 tank farms at Phra Khanong Depot, study, survey, and design of construction and renovation of Phra Khanong Oil Depot, Phase 2, and Bang Chak Oil Depot, meter oil storage tank at Don Muang Depot, construction supervision of 7 tank farms at Phra Khanong Depot, study, survey, and design of construction and preparation of bidding documents, construction of 4 oil storage tanks at PTT Oil Depot, engineering feasibility study project, construction of the expansion of oil







pipeline and tank farm to the northern area, and design and construction of T-2305 aviation fuel storage tank project at Suvarnabhumi Aviation Fuel Storage Station, etc., including other ongoing projects with employers. As a result, the Company has been employed to perform design-build in various projects, especially the construction of the tank farm and pipeline, which is a turnkey project, including the preparation of the master plan and integrated design, environmental studies, project management and project cost control, advices on product storage system development, consultation on designer selection, project details, supervision of construction design details, infrastructure of projects, survey, assessment and design project details, supply of construction equipment, installation of any equipment and testing for the complete and effective systems, and request for permission from relevant government agencies

To carry out the design-build projects, the Company operates as a direct contractor to the employer under the employment contract, which the Company does not undertake the construction and invest in machinery and equipment used in the construction. However, the Company will hire sub-contractors who have expertise in construction and systems in the project, and also supervise and manage the construction work of sub-contractors to ensure that it is in accordance with the drawings and time frames specified in the contract. Such operations are the Company's expertise. It is to manage the risks that may occur when compared with the construction carried out by the Company.

In the past 5 years, the Company had provided design-build services in the tank farm and pipeline segment and the building segment, consisting of;

- Design-build of aviation fuel storage tanks at Suvarnabhumi Aviation Fuel Storage Station (Year 2014 - 2015)
- Design-build of Into-Plane Service Facility at Don Mueang Airport (Year 2019 - present)
- Design-build of High Speed Diesel (HSD) oil storage tank and firefighting oil storage tank with related system equipment at Don Mueang Oil Depot (Year 2014 - 2015)
- Design-build of Phichit Oil Depot (Year 2016 - 2020)
- Design-build of Nakhon Lampang Oil Depot (Year 2016 - 2020)
- Design-build of Bang Pa-in Oil Pumping Station and Control System (Year 2017 - present)
- Design and installation of equipment for pipe insulation protection (Year 2019 - 2020)
- Design-build of a parking building next to the dormitory building, Thammasat University Hospital (Year 2017 - 2018)

The Company has more policies and action plans in providing design-build services in both segments mentioned above and will add design-build services in the airport segment, the road and expressway segment and the mass transit system segment as well.

## 2) Nature of Service Classified by Field of Expertise

The Company has various service models which can be divided into 3 types, classified by the following type of service. The Company operates an integrated engineering consultation business which can be divided into 6 types of nature of services classified by the field of expertise as follows;



### (1) Tank Farm & Pipeline

Since 2016, the Company has expanded its work from design-build engineering consultation services to the full range of macro construction. The Company performs the design-build of tank farms by starting from the study of basic design, application for permission of tank farm construction, detailed design and construction of tank farms, and construction of oil terminals.



### (2) Mass Transit System

The Company provides consultation services in terms of the development of rail mass transit systems for the transportation of the public and goods in both urban and rural areas, such as BTS and MRT projects, train for tourism projects, etc. The Company provides consultation services in a full range from master plan, project management, action plan management, construction supervision, to the inspection of projects before and after the delivery of projects.

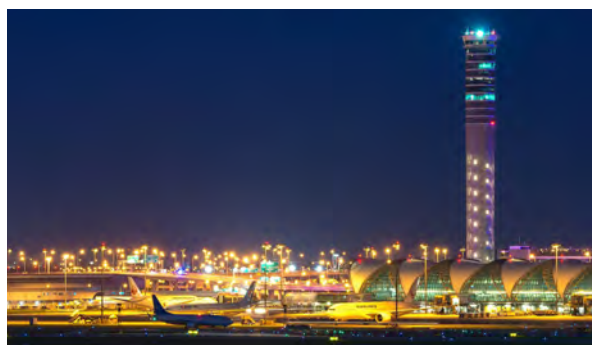


### (3) Highway & Expressway

The Company provides engineering consultation services in terms of project feasibility studies, engineering, economic, social, and environmental study and analysis, including the impact and benefits of projects, participation of people in the project area, detailed design and survey based on the current and future traffic volume, review of road construction standards and existing drainage structures, estimate of the construction cost and preparation of bidding documents, and construction supervision services.

### (4) Airport

The Company provides consultation services, including the master plan, consultation on airport design and development, project management, action plan management, construction supervision, and inspection of projects before and after the delivery of projects.







#### (5) Irrigation

The Company provides consultation services, including study, review, and formulation of the master plan for water sources development and water management, study of water sources development, project feasibility study, detailed design and survey of irrigation system and natural water sources for drought, water shortages, and flood solution, and land readjustment design for appropriate agriculture and irrigation.

#### (6) Building

The Company provides consultation services by performing detailed design, project supervision, and construction consultation according to the format specified in the construction contract, review and approval of the construction schedule prepared by the construction contractor to ensure that the operations of the construction contractors cause the least obstacles and meet the construction plan specified in the construction contract. The Company also controls and tests materials inside and outside the construction site, supervises the instrument testing and workmanship based on the engineering principles and requirements of the construction contract, measures quantity of works and quality of materials, inspects and verifies the completion of each project phase of construction contractors, inspects and certifies the payment disbursement documents for the period, including the final payment disbursement documents of construction contractors.





## Marketing and Competitiveness

### 1. Marketing Strategies

#### 1) Strategies on Service

The Company provides one-stop service of engineering consultation with over 37 years of experiences and professional standards and advanced expertise in all procedures. The services include the Master Plan and Feasibility Study, Detailed Design, Project Management and Construction Supervision, and Design-Build. The Company focuses on providing services relating to infrastructure, oil and gas to all customer groups in both domestic public and private sectors. The Company has experiences in providing services with more than 300 projects, which is a symbol to guarantee the quality standards and good services of the Company.

#### 2) Strategies on Price

When submitting a bid or accepting projects from project owners, the Company applies the bidding guideline according to professional standards. The criteria for determining are the standard price of experts in each area. The Company prepares the cost estimates, consisting of significant costs, such as personnel costs, direct cost for the project (Direct cost, i.e., cost of document preparation, meeting expenses, survey fees, travel expenses, etc.), and cost of the Company's sub-contractor employment, plus the cost plus margin according to the Company's policies. In addition, the Company also applies the criteria for risk assessment of projects and price competition and considers the quotation for the ability to complete a project.

#### 3) Strategies on Service Channel and Strategies on Marketing and Public Relations

The Company provides 4 important service channels to meet the needs of the target group and the quick and easy access as follows;

- (1) Registration for consultant with the Consultant Information Center, Public Debt Management Office, Ministry of Finance, so that government agencies and state enterprises who are the project owner can access the Company's information and consider it appropriately according to the rules of registration; the Company presents qualifications

and performances based on the specified fields to be used as a basis for presentation of performances or expertise of the Company.

- (2) Contacting, coordinating, and following up information from government agencies and the private sector closely via the Internet; The business development department of the Company is responsible for following bidding news, bidding submission, and new upcoming project trends, etc., directly with the project owner agency, screening bidding news, announcing for a project offer and new project plan of each agency via the Internet system, such as the Comptroller General's website, the Ministry and Department's website, private company's websites, etc. The Company regularly screens news and information to report it to executives for consideration.
- (3) Recommendations from strategic partners who have worked together in any projects and from customers who have used the service and need to use services again or recommend new customers due to the satisfaction of the services and performance of the Company.
- (4) The Company's website is a channel for coordinating with external organizations and promoting the Company. The Company's website shows the Company's performances in any areas, which are clearly categorized, so that customers and interested persons can contact and coordinate with the Company easily and quickly.

#### 4) Strengths of the Company

##### (1) Over 38 years of business experiences and past performances of the Company

The Company has been engaged in the business of consulting engineers for a long time with experiences in more than 300 projects. The services cover all processes of project development, ranging from concept to concrete project. The Company is interested in the industry of infrastructure and Oil and Gas.

**(2) Expertise in all fields of engineering**

As the Company has the potential in operations of consulting in various fields, such as airport, tank farm, road, building, irrigation, BTS and MRT, and water supply, the Company has a full range of expertise, resulting in economy of scope and economy of scale, which reduces management costs.

**(3) Experience and expertise in management of senior executives**

Experiences and expertise of senior executives in the management of consulting engineer business cause positive effects on the overall organization in achieving its vision and mission of business operations clearly and steadily, which also help improve and expand the business more broadly. As a result, the Company has challenging goals for executives and employees and formulates appropriate strategies based on situations and risk management leading to the prevention and problem resolution in all procedures of the projects, as well as establishes the approach for competition under the restrictions of situations.

**(4) Engineering personnel with high knowledge, skills and expertise**

The Company greatly focuses on engineering personnel, architecture, management, and new technology systems as it is the key mechanism for the implementation of engineering projects in order to drive projects to be successful. Currently, the company has Thai and foreign engineers and architects with professional knowledge and expertise and high skills and experiences. The Company promotes and develops personnel in all areas continuously by providing trainings, seminars, knowledge and operational skills so that all employees can apply their knowledge to perform works and create the highest efficiency for the organization and personnel of the Company.

**(5) Good internal management system and emphasis on teamwork**

The Company has a quality management system in accordance with the international standard ISO 9001:2015, which is a system that has been recognized domestically and internationally. As a result, the employees perform operations with clear guidelines and procedures, which can be inspected in all aspects, resulting in the most effective performances. The Company focuses on teamwork with all employees because they are regarded as the quality human resources of the Company.

**(6) Learning organization and innovation development**

To adapt the management to the rapid changes of technology, the Company establishes the innovation policy along with the application of the concept of knowledge management to create a culture for employees to learn continuously in all situations. The learning process is developed systematically and employees are open to exchange knowledge with each other. In addition, it is stored as the organization's knowledge base which will always be the valuable asset of the Company.

**(7) Creation of business alliance for building a stable and various business network**

To make the business grow sustainably and stably, expand the market, and increase the customer base, the Company constantly considers and selects business partners or strategic partners to build a business network in order to strengthen the organization and enhance competitiveness, including expand the business to the business that will be the future goal of the Company.

**2. Customer Group**

The Company's customer group can be divided into 2 types as follows;

**1) Government Sector**

It includes government agencies and state enterprises, such as Airports of Thailand Company Limited (AOT), Department of Highway, Expressway Authority of Thailand, Mass Rapid Transit Authority of Thailand, Marine Department, Naval Public Works Department, Department of Public Works and Town & Country Planning, Office of Transport and Traffic Policy and Planning, Neighboring Countries Economic Development Cooperation Agency (Public Organization), etc. It mainly provides services of conceptual design and detailed design, project management, and construction supervision.

**2) Private Sector**

It includes of the private sector groups in businesses relating to tank farms and pipelines, such as Bangkok Aviation Fuel Services (Public) Company Limited (BAFS), Fuel Pipeline Transportation Limited, etc., and real estate developers or private customers with various types of building construction projects, such as commercial buildings, offices, and public utilities, which are a small to medium-scale project. It mainly provides services of design-build.

### 3. Recruitment of Sub-Contractor and External Expert

#### Policy on Recruitment of Sub-Contractor

The Company establishes the method for recruitment of sub-contractors in the procurement policy by taking into account the qualifications and capabilities of persons offering projects and reasonable service fees.

Nomination, selection, and evaluation of sub-contractors is taken into account the following criteria;

- 1) Work background, experience, qualifications, and expertise which corresponds to the nature of the employment.
- 2) Good liquidity, financial position, and working capital by considering the Company's financial statements, financial ratios, and credit limit from financial institutions (In the case of a juristic person/limited partnership).

- 3) Experiences and projects completed in the past.
- 4) The Company regularly evaluates sub-contractors and reviews the suitability of sub-contractors in accordance with the policy specified by the Company.

#### Policy on Recruitment of External Expert

The Company establishes the method for recruitment of external experts in the procurement policy by taking into account the qualifications and capabilities of persons offering projects and reasonable service fees.

Nomination and selection of external experts is taken into account the following criteria;

- 1) Work background, experience, qualifications, and expertise which corresponds to the nature of the employment.
- 2) Experiences and projects completed in the past.

## 4. Industrial Conditions

### 1) Overview of Thai Economy

Table of Thailand's Economic Growth Summary

	2018	2019	2020
GDP	4.2	2.3	-6.1
Total Investment <sup>1/</sup>	3.8	2.0	-4.8
- Private Sector	4.1	2.7	-8.4
- Public Sector	2.9	0.1	5.7
Private Consumption	4.6	4.0	-1.0
Government Consumption	2.6	1.7	0.8
Export Value <sup>2/</sup>	7.5	-3.3	-6.6
Import Value <sup>2/</sup>	13.7	-5.6	-13.5
Current Account Balance per GDP	5.6	7.0	3.3
Inflation	1.1	0.7	-0.8

#### Remarks

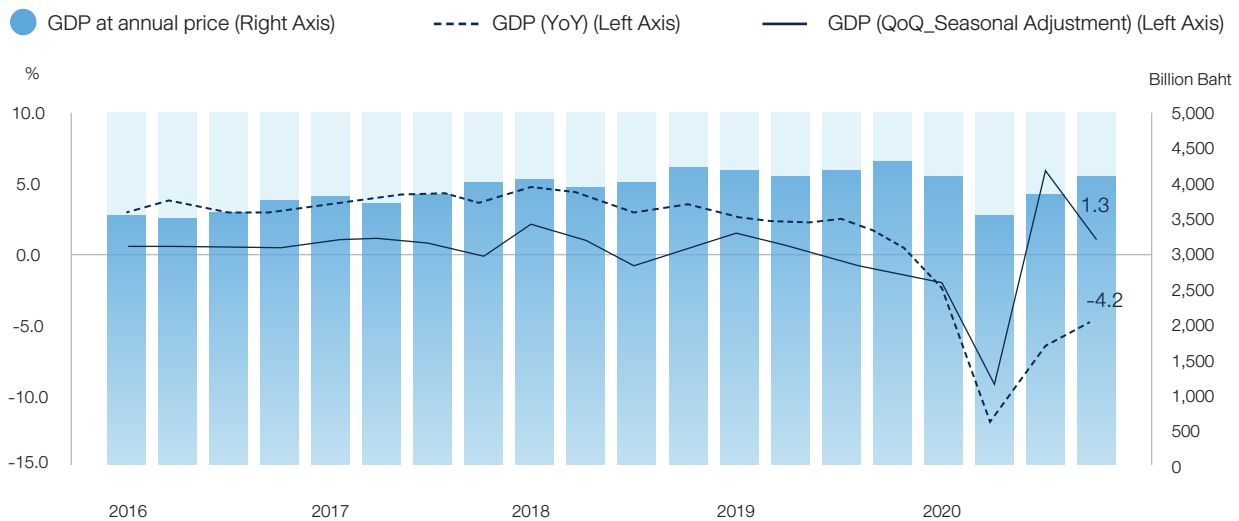
<sup>1/</sup> Total investment refers to Gross Fixed Capital Formation.

<sup>2/</sup> Balance of Payment Database of the Bank of Thailand

Source : Office of the National Economic and Social Development Council, February 15, 2021



## Thai Economy in the fourth quarter of the year 2020

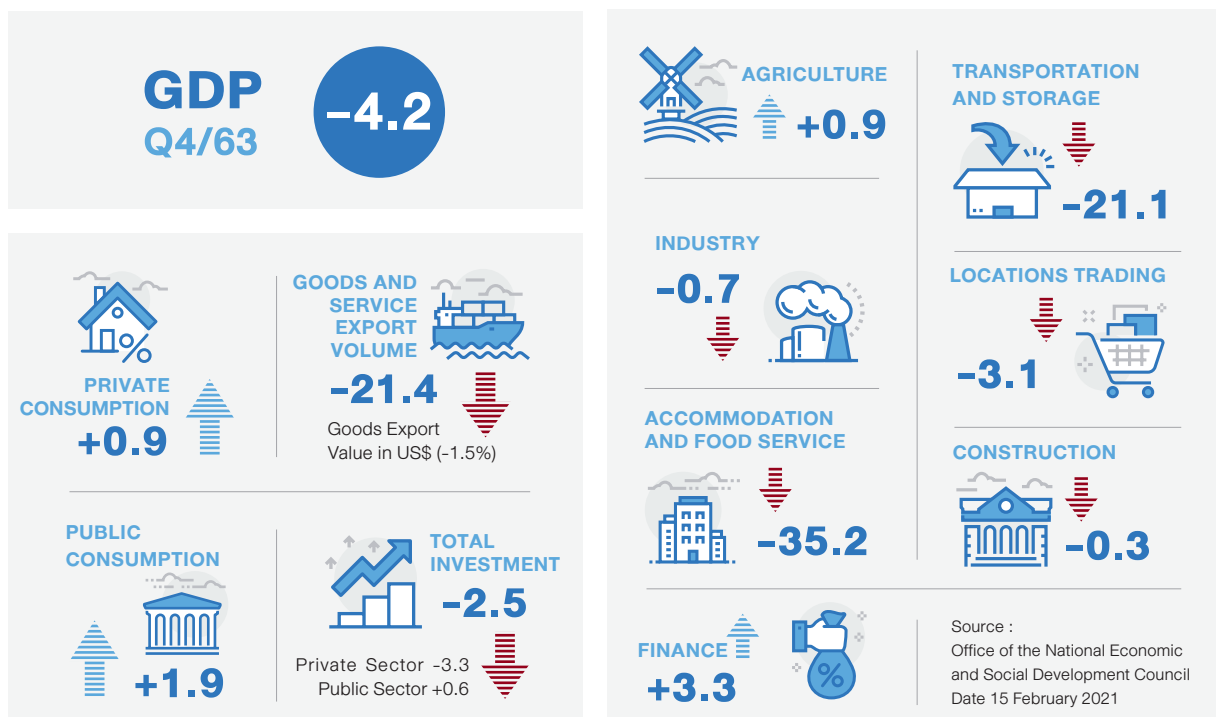


Source: NESDC

Thai economy in the fourth quarter of the year 2020 declined by 4.2%, which was better compared to a decrease of 6.4% in the third quarter. With the outcomes of seasonal adjustment, Thai economy in the fourth quarter of the year 2020 expanded by 1.3% from the third quarter of the year 2020. The private consumption expenditure continued expanding and the private investment and goods exports declined at a slower pace, while the public expenditure and investment expanded and the service export continued decreasing.

The agricultural production became to expand again and the construction production decreased. In the meantime, the sectors of industry, accommodation and food service, transportation/storage locations, and wholesale, retail/ repair decrease at a slower pace. The electricity and gas sectors decreased continuously. Overall, in 2020, Thai economy declined 6.1%, compared to the growth of 2.3% in 2019. Export value, private consumption, and total investment decreased by 6.6%, 1.0%, and 4.8%, respectively.

## Gross Domestic Product (GDP) in the fourth quarter of the year 2020



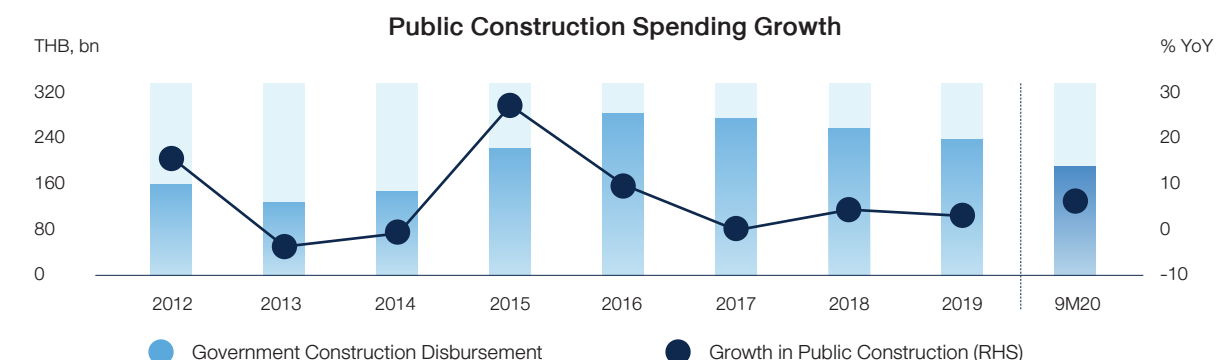
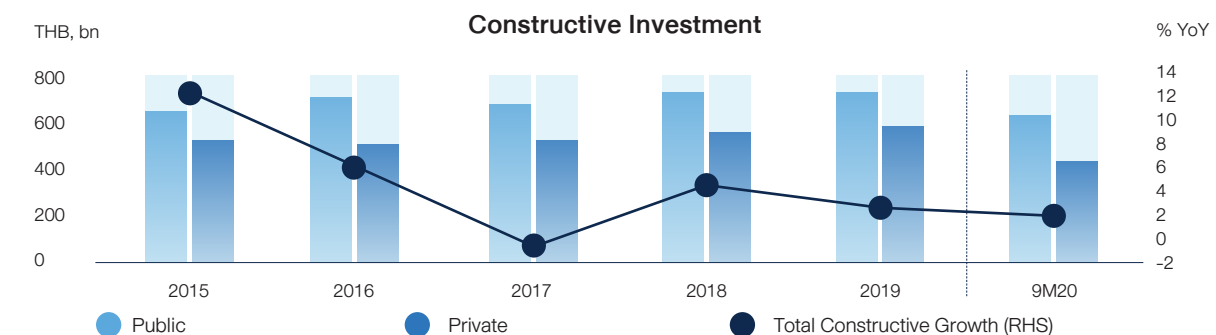
Thai economy in the construction sector in Q4/2020 decreased by 0.3% from the growth of 10.8% in Q3/2020. The key factors derived from the decreasing private construction in almost all types, such as residential buildings, commercial buildings, and industrial plants. However, other private construction continued expanding due to the construction of the MRT Yellow Line (Ladprao-Samrong Section) and the MRT Pink Line (Khaerai-Minburi Section). In the meantime, the public construction continuously expanded by 19.0% from the growth of 28.1% in the previous quarter. This partly resulted from the continuous increase in the disbursement of investment funds in the land and building sectors of the ministries with high investment value, such as the Ministry of Transport, the Ministry of Agriculture and Cooperatives, and the Ministry of Interior, etc. Meanwhile, the construction of the state-enterprise sector dropped by 19.4%, compared to the decrease of 3.2% in the previous quarter, resulting from the completion of construction in previous projects and no new projects implemented in this quarter. The construction of the state-enterprise sector in the quarter remained the construction in ongoing projects, such as the construction of transmission line system of the Electricity Generating Authority of Thailand, the construction of pipeline system of the Provincial Waterworks Authority, etc.

Regarding the trend of Thai economy in 2021, it is expected to grow by 2.5%-3.5%. The key supporting

factors include; (1) Trend of economic recovery and global trade volumes, (2) Drives from government spending, (3) Expansion of domestic private demand, and (4) Adaptation to an unusually low growth base in 2020. However, it is expected that the value of goods export, the private consumption, and the total investment will grow by 5.8%, 2.0%, and 5.7%, respectively. The average headline inflation ranges from 1.0% to 2.0% and the surplus current accounts was 2.3% of GDP.

## 2) Overview of Construction Industry

In the first nine months of the year 2020, the construction business had grown slightly, reflected by the construction investment of 1.04 trillion Baht, increased by 1.9% YoY, continuously expanding from 2.7% in 2019. The supporting factor was the public construction investment (56.5% of the total value of construction investment), especially ongoing large-scale construction projects, resulting from the accelerated disbursement of the government's budget. Meanwhile, the private construction investment decreased according to the economic stagnation, the COVID-19 crisis, and national epidemic control measures. The residential construction in Bangkok and its vicinity as well as major provinces in the region had shrunk severely due to the delay in the launch of new projects of real estate developers, the decreasing purchasing power of consumers, and the stringent loan lending of financial institutions.



Note : Disbursement of governance investment budget exclude expense of the infrastructure investment under state-owned enterprise, e.g. mass transit system and dual-track railway

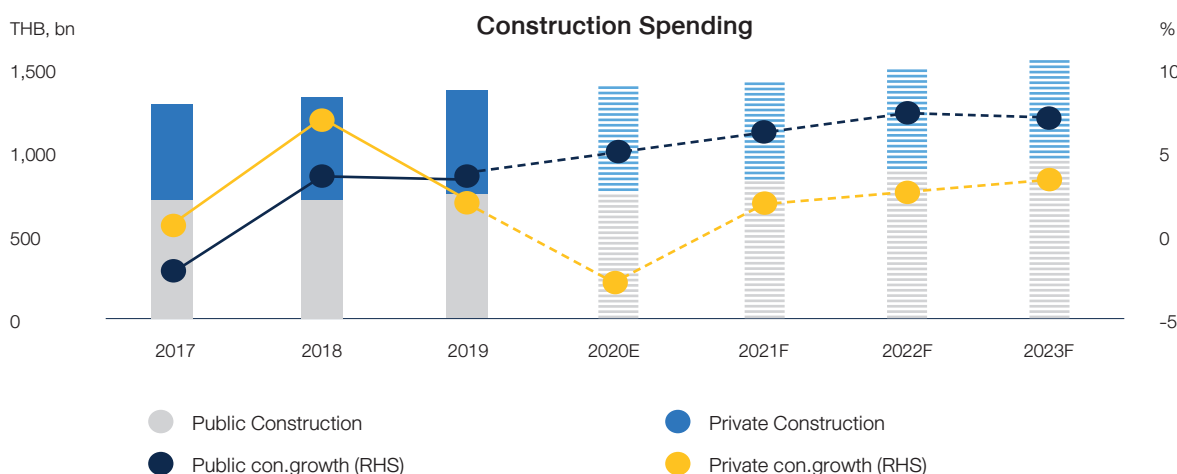
The value of the public construction was 6.08 billion Baht, increased by 5.6% YoY in the first nine months of the year 2020. The supporting factor derived from the accelerated disbursement of the government's budget. The details are as follows;

- Infrastructure construction (82.3% of the total value of the government construction) consists of:
  - Major government construction projects include (1) the Ministry of Transport in the integrated plan for the development of transportation and logistics systems; most of them are ongoing large-scale projects, such as the Eastern Orange Line (Thailand Cultural Center - Min Buri), Pink Line (Khae Rai - Min Buri), Yellow Line (Ladprao-Samrong), with the construction progress of 64.2%, 56.3% and 57.9%, respectively, including Bangkok-Nakhon Ratchasima Double-Track Railway Phase 1 with the progress of 50.0% (Government Project Performance Follow-up Report, August 2020), and (2) the Ministry of Agriculture and Cooperatives in the action plan for irrigation infrastructure development; construction projects have been expanded in many areas due to the effects of recent droughts.
  - State-enterprise construction projects; most of them are ongoing projects, such as the transmission line system construction project of the Electricity Generating Authority of Thailand, the construction project of the electricity distribution system of the Provincial Electricity Authority, the construction project of network equipment of TOT (Public) Company Limited, the construction project of the pipeline system of the Metropolitan Waterworks Authority, etc.
- Other types of construction (Proportion of 17.7%), such as residential and building construction of

government agencies decreased by 36.3% and 11.5% YoY, respectively. Most of them were construction projects of small and medium-sized contractors. Many of them suffered from financial liquidity and labor shortages due to the COVID-19 outbreak. As a result, the constructions were interrupted.

investment will expand continuously according to the acceleration of budget disbursements for the electric train and double-track railway projects, including local-level projects, such as expansion, repair, and renovation of over 2,000 roads nationwide. Regarding the private construction investment, it is expected to remain sluggish as the property developers for sale and for rent are likely to postpone new projects in order to accelerate the release of stocks that are still high, reflected by the decreasing number of areas requesting for construction permission (private construction business leading index) in the first nine months of the year 2020 in all categories, including the residential category, such as low-rise residence (-2.1% YoY), high-rise residence (-70.6%) and non-residential category, such as commercial buildings (-29.6% YoY), industrial plants (-29.7%), office buildings (-67.4%), and hotels (-42.2%). In 2020, overall construction investment is expected to grow only by 1.5% (approximately 1.321 trillion baht) where the public construction increases by 5.0% and the private construction decreases by 3.0% from 3.1% and 2.1% in 2019, respectively.

Krungsri Research expects that the construction business will grow dramatically according to the overall value of construction investment that is expected to increase by 4.5-5.0% in 2021 and 5.0-5.5% in 2022-2023. The driving factor derives from the investment in large-scale projects of the public sector, especially projects relating to the Eastern Economic Corridor (EEC), including the gradual economic recovery, which will support housing construction.





% Growth	2019	2020E	2021F	2022F	2023F
Public	3.1	5.0	6.0-6.5	6.5-7.0	6.5-7.0
Private	2.1	-3.0	1.0-1.5	1.5-2.0	2.0-2.5
Total	3.9	1.5	4.5-5.0	5.0-5.5	5.0-5.5

Source : NESDC

Note : forecast by Krungsri Research

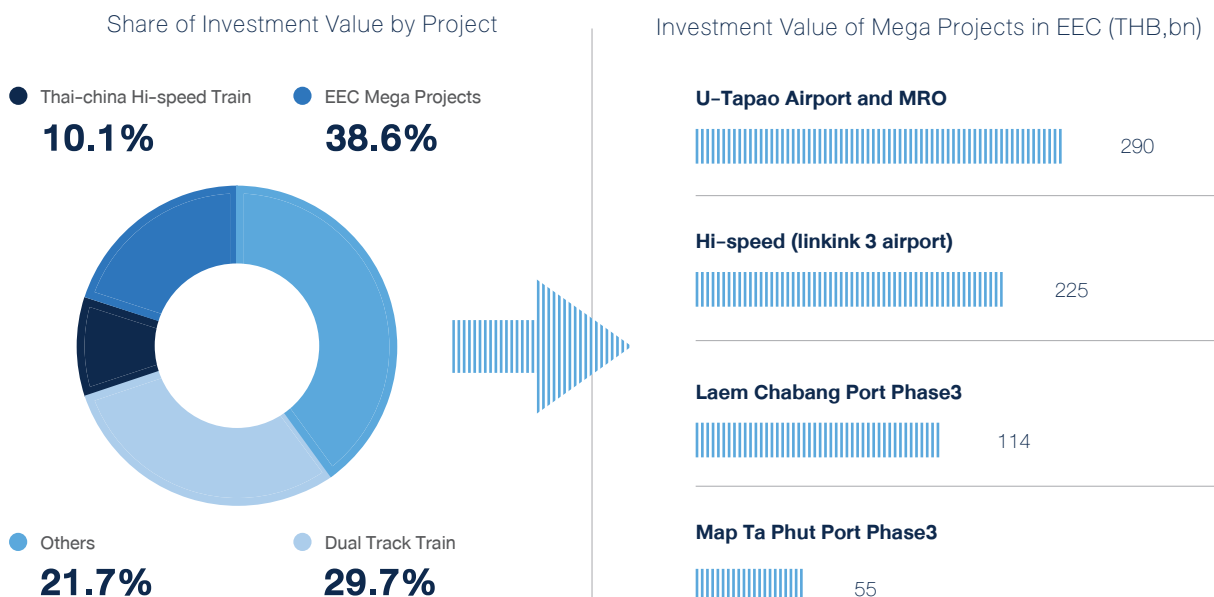
The value of public construction investment is expected to increase by 6.0-6.5% in 2021 and 6.5-7.0% in 2022-2023. The key driving factor derives from the acceleration of large-scale construction projects in accordance with the latest Transportation Action Plan, Urgent Phase, B.E. 2561 (2018) under Thailand's 20-year transport system development strategy (2017-2036). The total value of infrastructure investment is 1.8 trillion Baht. The major projects include:

- Construction projects linked to the EEC area have the highest investment value, accounting for 38.6% of the total public construction investment. It is the main strategic area where most of the large-scale projects involved will begin the construction in 2021, including (1) Project of High-Speed Rail Linking Three Airports (Don Mueang - Suvarnabhumi-U-Tapao); Phase 1 will begin from the sector of Suvarnabhumi-U-Tapao, (2) Project of Map Ta Phut Port and Laem Chabang Port Development, Phase 3, starting with the construction of a pier and an extension after filling the sea, and (3) U-Tapao

Airport Project, which will begin the construction of the new terminal building. The above 3 projects have the total investment value of more than 60 billion Baht in 2021 from the total investment value of projects of over 6.8 hundred billion Baht. In addition, the government also approved plans to upgrade some projects, such as the development of Laem Chabang Port to link the EEC to the southern part of Thailand and neighboring countries in order to promote Thailand to be an ASEAN Transport Hub. As a result, there are the development of new projects, such as dry port development, which is scheduled to be completed by 2023-2024, the expansion of the transport network linked to other regions in the nature of multimodal transport.

- Construction projects in other areas (both ongoing projects and new projects to be started in 2021) include double-track railway projects (proportion of 29.7% of the total value of public construction investment) and high-speed railway projects (proportion of 10.1%).

### Infrastructure Investment Projects



Source : The Office of Transport and Traffic Policy and Planning (OTP), Ministry of Transport, Krungsri Research



- Urgent projects in 2021 include;
  - Denchai - Chiang Khong and Ban Phai - Nakhon Phanom Double-Track Railway Project
  - China-Thailand High-speed Railway Project, Bangkok - Nong Khai (Phase 1, Bangkok - Nakhon Ratchasima is under construction. The construction of Phase 2, Nakhon Ratchasima - Nong Khai will start in 2022.)
  - Western Orange Extension Project (Bang Khun Non —Thailand Cultural Center) and Southern Purple Line (Tao Poon - Rat Burana) linked to more areas of the transportation system
- Projects expected to be promoted during 2021-2023 include;
  - Construction of the National Highway Network 58, covering city bypasses and intersections nationwide
  - Motorway Rail Map (MR Map) Project to connect the double-track and high-speed railway networks, which will include 3 pilot routes as follows; Nakhon Ratchasima - Nong Khai (203 km), Nakhon Ratchasima - Ubon Ratchathani (301 km), and Nakhon Pathom - Cha-am (119 km) under the 20-year plan of the intercity motorway network development, 2017-2036
  - The constructions of such large-scale infrastructure projects are mainly PPP projects. The form of construction expenses is expected to be in the form of PPP Net Cost rather than PPP Gross Cost as the private sector will be entitled to collect revenues and reduce the operating costs of the public sector.

### 3) Overview of Thailand's Transportation Infrastructure Development Plan

The National Council for Peace and Order (NCPO) passed the resolution on July 29, 2014 to approve Thailand's Transportation Infrastructure Development Strategy Framework, 2015 - 2022, consisting of 4 goals and 5 action plans. Subsequently, the Cabinet acknowledged the Guidelines for the 2015 Transportation Development Investment Project Implementation. To develop the nation's transportation system, the strategic goals include 1) Establishing the foundation for social stability and the return of happiness to the people, 2) Building the foundation for economic security by providing good and efficient infrastructure, 3) Strengthening the security of traveling and transportation by developing safe transportation systems and minimizing accidents, 4) Creating opportunities for using the utmost benefits from being the ASEAN community by effectively connecting the domestic network with neighboring countries.

The strategic plans include 1) the development of the intercity railway network by constructing the double-track railway with the total distance of 3,402 km., 2) the development of the public transportation network to solve traffic problems in Bangkok and its vicinity by procuring 3,183 NGV buses and increasing the depots and constructing 107 railway bridges/tunnels, roads with the total distance of 344 km., and 5 large river bridges, 3) Enhancing the highway capacity to connect the nation's major production bases with neighboring countries by constructing 1 cross docking center and 17 freight terminals and developing 41 rest stops along the transportation route, 4) the development of water transportation network by developing 7 ports and constructing the dam to protect the banks and digging one watercourse, 5) Enhancing the capacity of air freight services by constructing Betong Airport and developing 5 airports

(Source: Office of Transport and Traffic Policy and Planning, Ministry of Transport, 2018)

#### 4) Overview of Industry at Oil Depots and Pipeline Transportation Systems

The airport's refueling industry has been affected by current rapid changes in the global economic and political issues as well as disasters and epidemics, such as the coronavirus outbreak, which is the major factor significantly affecting the growth of the tourism and aviation industries due to the closure of any entry into the country and the suspension of services of airlines. However, such impact may not affect the industry of storage system and pipeline transportation system services under the nation's major infrastructure investment policy, which is the Company's target industry group. When considering the strategy of the Ministry of Energy, 2018-2022, the overall public sector

needs to invest in energy infrastructure development by promoting the investment in the development of pipeline transportation systems in order to transport oil from refineries to regions within the country to reduce transportation costs, minimize the risk of accidents caused by the transportation by truck, and also enhance the fuel transportation efficiency, prevent fuel shortages, support the expansion of oil demand in the regions, create economic opportunities for fuel entrepreneurs to expand their business to neighboring countries, and increase the nation's competitiveness. In reference to Strategy 1, the supply of adequate energy to meet demand is stable and promotes the investment. According to the Strategy of Ministry of Energy (2018-2020), the Ministry of Energy has the strategy to drive the development and promotion of investment, especially in infrastructure and management systems that strengthen energy security according to the specified energy plan.

Regarding the industry of aircraft oil storage system and pipeline transportation system services, it has grown in line with government bidding or concessionaires in the U-Tapao Airport and Eastern Aviation City Development Project and the Project of High-Speed Rail Linking Three Airports (Don Mueang — Suvarnabhumi - U-Tapao) (Don Mueang - Suvarnabhumi - U-Tapao), which are the target projects of the Company. In the long run, such project requires infrastructure investment in accordance with the government's policies, which include the Eastern Economic Corridor Development (EEC) Project. In addition, airports may have landscape improvement projects within the airport areas to support better operations, such as relocating gas stations or building aircraft refueling systems separated from the existing areas in the airport.





## 5) Overview of Engineering Consultation

### Industry

Professional consulting service business in terms of control engineering can be classified into 7 areas as follows; civil engineering, mining engineering, mechanical engineering, electrical engineering, industrial engineering, chemical engineering, and environmental engineering. Persons capable of practicing such profession in Thailand must register with the Council of Engineers to obtain a control engineering license so they are able to perform operations. According to information from the website of the Council of Engineers as at December 31, 2021, there were a total of 1,774 licenses to practice control engineering in type of a juristic person.

However, individuals and juristic persons operating the consultation business eligible to participate in project proposals with government agencies must be a registered consultant with the Consultant Database Center, Public Debt Management Office, Ministry of

Finance, or obtain a certificate from the Consultant Database Center as specified in the Government Procurement and Supplies Management Act B.E. 2560 (2017). According to the Consultant Database Center, the Public Debt Management Office, Ministry of Finance, classified the consultant into six categories as follows; independent consultants, partnership or corporate consultants, consultants of educational institute, consultants of foundation, consultants of association, and government corporate consultants. Currently, there are 2,466 registered consultants, divided into 402 independent consultants and 2,064 juristic person consultants (as at March 1, 2021). The registration of sectors, expertise, and services will depend on the qualifications and conditions of the consultant and/or the objectives of the juristic person whether they are consistent with the sector, including completed project experiences in the same sector. There are 20 sectors that can be registered as follows;

**Table of Sector Information for Registration as a Consultant**

No.	Sector Code	Sector Name (TH)	Sector Name (EN)
1.	AG	การเกษตรและการพัฒนาชนบท	Agriculture and Rural Development Sector
2.	BU	อุตสาหกรรมก่อสร้าง	Building Sector
3.	ED	การศึกษา	Education Sector
4.	EG	พลังงาน	Energy Sector
5.	EV	สิ่งแวดล้อม	Environment Sector
6.	FI	การเงิน	Financial Sector
7.	HE	สาธารณสุข	Health Sector
8.	IN	อุตสาหกรรม	Industry Sector
9.	PO	ประชากร	Population Sector
10.	ICT	เทคโนโลยีสารสนเทศและการสื่อสาร	Information and Communication Technology Sector
11.	TO	การท่องเที่ยว	Tourism Sector
12.	TR	การคมนาคมขนส่ง	Transportation Sector
13.	UD	การพัฒนาเมือง	Urban Development Sector
14.	WS	การประปาและสุขาภิบาล	Water Supply And Sanitation Sector
15.	LW	กฎหมาย	Law Sector

No.	Sector Code	Sector Name (TH)	Sector Name (EN)
16.	QS	มาตรฐานคุณภาพ	Quality Standard Sector
17.	MID	การบริหารและการพัฒนาองค์กร	Management and Institutional Development Sector
18.	PR	การประชาสัมพันธ์	Public Relations Sector
19.	RE	การวิจัยและการประเมินผล	Research and Evaluation Sector
20.	MS	เบ็ดเตล็ด	Miscellaneous Sector

Source: Consultant Database Center, Ministry of Finance

Index International Group Public Company Limited was registered with the Consultant Database Center, Ministry of Finance, in the sector of agriculture and rural

development sector (AG), building sector (BU), energy sector (EG), transportation sector (TR), and urban development sector (UD).

## Undelivered Projects

As at December 31, 2020, the Company has 27 contracts that are not delivered, representing the total project value of unrecognized revenue of 359.86 million Baht. The details are as follows;

Type of Service	Number of Contract	Contract Value (Million Baht)	Project Value with Recognized Revenue as at December 31, 2020 (Million Baht)	Outstanding Balance of Project Value as at December 31, 2020 (Million Baht)	Remaining Contract Period
1. Conceptual Design & Detailed Design	11	165.30	142.60	22.70	0 - 2 Year (Within 2022)
2. Project Management & Construction Supervision	8	370.55	340.77	29.78	0 - 2 Year (Within 2022)
3. Design-Build Service	8	4,009.92	3,702.54	307.38	0 - 2 Years (Within 2022)
<b>Total</b>	<b>27</b>	<b>4,545.77</b>	<b>4,185.91</b>	<b>359.86</b>	

## 38 YEARS OF PRIDE

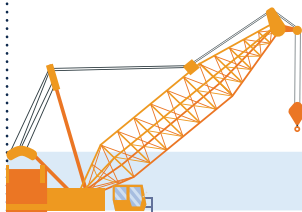


### THE BEGINNING

#### Year 1983

Initial period, 1983 - 1990

It was the initial period where the Company ventured in engineering consultancy.



### OPPORTUNITY

#### Year 1990

Second period, 1990 - 1995

Jobs with opportunity to manage, control and coordinate construction work.

### CONFIDENCE

#### Year 1996

Third period, 1996 - 2005

Obtained job at a construction supervision company, more large-scale design work.





## NEXT STEP

**In 2020,**  
the Company is converted to a  
listed company and is ready to lead  
the business to the stable growth.



## ADVANCES

**Years 2016 - 2020**

Fifth period, 2016 - 2020

The Company has continued to  
serve various agencies both in the  
public and private sectors with  
project design, project management,  
construction control, and project  
design with construction work.



## EXPANSION

**Year 2006**

Fourth period, 2006 - 2015

During this period, the Company  
has developed a lot in the  
aspects of engineering  
consultants.



## RISK FACTORS

The Company is aware of the importance of risk management that may affect its business operations. The major risks can be classified as follows;

### 1. Risk from Inconsistent Stream of Income

Since the establishment, the Company has engaged in the business of engineering consultation and design-build services, emphasizing on projects of investment in public utilities system and infrastructure, such as transportation, road network, public transportation, and rail, air, water and pipeline transportation systems, the development of logistic management standards providing facilitation and enhancing the efficiency of transportation, the development of main cities, oil depots, and other projects in line with the development and progress of the nation. Factors affecting investment in public utilities system and infrastructure of the nation are economic situations, infrastructure development plans of the government, and the budget disbursement plan from the government. If the economic situations and the investment conditions impede due to economic slowdown or recession, including the delay or postponement of the budget disbursement for investment in public utilities system or the infrastructure development plans of the government sector as well as the higher competition of the industry, possibly causing the target projects to be received by the Company to fail from being selected by owners, the Company is at risk as it will have inconsistent revenues continuously every year. Most projects of the Company have a period of 1-3 years, which may result in a decrease in revenues from service and affect the operating results of each accounting period.

The Company is aware of such risk as it is a risk that significantly affects the Company's operating results. The Company assigned the Assistant Chief Executive Officer of the Business Development Division to monitor the political situation and the investment situations of the private sector and report them to the management team at regular intervals for planning and responding to the situations in a timely manner. In addition, the Company has the policy to continuously expand its target customers to other markets, such as energy industry (Oil & Gas). Furthermore, the Company has the policy to recruit strategic partners, such as sub-contractors with work and construction experiences, to increase its capability to accept more projects continuously.

### 2. Risk from Human Resource Management

The Company operates the business of engineering consultation and design-build services. It is a business that

relies on providing services with knowledge, experiences, and expertise of a team of engineers and experts in various fields. Therefore, the competitiveness of the Company depends on the recruitment of qualified personnel to work for the Company. As such, human resources are an essential part of the Company's operations for the effective management of each project. Since experts in various fields are limited resources of the Company, the Company has the risk from human resource management. If the Company is unable to maintain significant human resources, it may cause a negative impact on any projects operated by the Company in terms of delay and quality of work, resulting in the insufficient human resources of the Company to respond to the strategies and business plans established for the medium and long terms.

The Company is aware of the importance of human resource management, so it establishes the policy on human resource management by setting performance goals regarding personnel, annual manpower planning, training planning,





selection of successors, as well as formulation of policies on recruitment, development and retainment of personnel to work for the Company continuously for a long term. However, in the case that the Company has a shortage of experts in some fields, the Company will hire an external consultant or expert that the Company has a good relationship for a long time to work for the Company on a case-by-case basis. This will enable the Company to provide quality services to customers.

### 3. Risk from Employment of Sub-Contractors

Regarding the consultation services for project survey, the conceptual design and detailed design, such as topographic survey, soil and material sources inspection and survey, and pavement design based on the nature of projects, such as Mass Transit system project, Land Transport project, Airport, Irrigation, these require highly skilled and knowledgeable personnel with work experiences. Some projects have restrictions on personnel, causing the Company to employ external sub-contractors for these projects in order to perform works meeting the needs of the employer within the time frame specified by the employer under the contract. Regarding the design-build services, the Company designs and hires sub-contractors with specific expertise in the construction and installation of systems and equipment of each project. However, the Company supervises and manages the works of sub-contractors to ensure that the construction is in accordance with the plans and timeframe specified in the contract. For the employment of sub-contractors and outsourcing, there may be a chance of mistakes from the works performed by sub-contractors or third parties, which cause delays and damages to the project, including job abandonment. As such, the Company has the risk from being damaged from operations performed by sub-contractors which may affect human resource management. This will result in the Company's increasing operating costs and may affect the performances of the Company.

The Company has measures to manage such risks by establishing the policy on sub-contractor recruitment, selection and assessment to screen quality and verify sub-contractor's reliability. This is to reduce the chance of damages from the subcontractor's mistakes or job abandonment. The Company considers the work experiences, experiences and expertise of subcontractors, including performances that are consistent with the nature of works being hired, as well as the financial status of the sub-contractor that requires assessment of liquidity, financial status and working capital.





The company will then prepare an Approved Vendor List, which will review the sub-contractor's assessment according to the type of work. Regarding the conceptual design and detailed design, the assessment will be conducted every 6 months while the design-build services will be assessed annually. In the event that any sub-contractor fails the assessment for 2 consecutive times or has not been hired for a long time, such subcontractor will be eliminated from the Company's Approved Vendor List.

#### 4. Risk from Competition

The Company has competitors that provide engineering consultation services, which has the reliable expertise and experience in the engineering consultation industry, and attend the auctions, especially those of the government sector. There is also a chance for new competitors in the engineering consultation market because many personnel, engineering experts and other specialists gather to establish new companies to compete in the market. This may cause the price competition. The Company's competitors may bid for projects at a lower price so the Company loses the project as expected. Due to the increasing competition, it may cause the Company to obtain a project with a lower gross margin than the specified threshold.

However, the Company has measures to deal with the competition risk by assigning the Business Development Department to follow the news from the existing customer groups, both private sector and public/state enterprise sectors, to monitor new projects, including maintaining good relationship with customers and maintaining or increasing the quality of service continuously as well as approaching new target customers and foreign customers.

In the event that it is a project based on the Company's goal, which is an important, reasonable and necessary to accept it and/or is to be a portfolio that can be extended to other projects, although the gross profit is lower than the policy set by the Company, the Company will consider accepting such project. The person responsible for the project will present it to the Executive Committee and the Board of Directors for consideration according to the approval authority specified by the Company.

In the normal course of businesses of engineering consultation and construction, especially infrastructure projects where the Company has expertise and it is the main target project of the Company, to consider the selection of contractors from the project owners, the Company mainly considers from the capabilities and experiences of contractors. Those who do not have work experiences in the field specified by the project owner or have a few work

experiences may not be considered for the project. Therefore, it can be considered that the businesses of engineering consultation and construction, especially projects relating to infrastructure, will have rather high obstacles to entering the competition. However, the Company has more than 38 years of experiences in engineering consultation services, more than 100 experienced employees, and a variety of portfolio of more than 250 projects. The Company gains trust, reliability, and confidence from customers continuously. In addition, the Company also creates business alliances that help strengthen its experiences. All of these are factors that make the Company have competitive potential and they are considered as the strength of the Company's business operations.

#### 5. Risk from Delayed Delivery of Project Due to External Factor

Regarding the business of engineering consultation and design-build services, the Company is responsible for providing services and construction according to the needs and requirements of the customers on a project-by-project basis. Projects must be delivered within the period specified in the contract. According to the aforementioned job description, the Company has the risk from delayed delivery of projects due to external factors or unexpected events, such as epidemic disease, emerging disease, natural disasters, changes of laws and government policies relating to business operations. These factors is likely to directly or indirectly affect the Company's operations, which may cause delay or impacts, causing the project to be suspended for a certain period. Therefore, if any of these mentioned events occurs, the Company will have the risk from failure to recognize revenues from services according to the specified plans, which will affect the liquidity management. There is also the risk that will affect the project cost due to the increasing labor cost and the resource management of the Company's resources to support the implementation of delayed projects.

The Company is aware of such potential risks. Therefore, the policy was established before making the decision to accept any projects. The Company will study job descriptions, nature of projects, and scope of work of each project to analyze the feasibility of the project, including the specific risks of each project (Project Risk Management) in order to prepare cost estimates used for each project at a reasonable price. In addition, after the Company is employed by the project owner, the Company will assess the situation in order to plan and establish a backup plan so that the project will be implemented and delivered within the period under the contract. In addition, reports on the progress of the project implementation are regularly prepared and presented to the Company's Management.

# ASSETS USED FOR BUSINESS OPERATIONS

## 1. Major Characteristics of Main Fixed Assets used for Business Operations

As at December 31, 2020, the Company's fixed assets used for business operations were as follows;

(Unit : Million Baht)

Type of Asset	Characteristics of Assets	Ownership Holder	Obligations	Net Value as at December 31, 2020	Utilization of Asset
<b>1. Head Office, Khu Kot Sub-district, Lam Luk Ka District, Pathum Thani Province</b>					
1) Land	Land, Title Deed No. 42383, total area of 20 square wa, located in Lam Luk Ka District, Pathum Thani Province	Company	Used as a part of credit guarantee and letter of guarantee with a creditor of a financial institution; the total credit limit and the bank guarantees of such financial institution are approximately 75.00 million Baht and the mortgage limit is 22.50 million Baht.	1.23	Location of the Company's head office building
	Land, Title Deed No. 42384, total area of 20 square wa, located in Lam Luk Ka District, Pathum Thani Province	Company		1.28	
	Land, Title Deed No. 42385, total area of 44 square wa, located in Lam Luk Ka District, Pathum Thani Province	Company		3.52	
	Land, Title Deed No. 42359, total area of 20 square wa, located in Lam Luk Ka District, Pathum Thani Province	Company		0.84	Location of the Company's document storage
2) Building and its Improvement	Office building used as the office of the Company	Company		4.08	Used as the Company's office building
3) Office Supplies	Office supplies used for the Company's operations	Company	- N/A -	4.33	Used for the Company's business operations
4) Devices and Tools	Devices and tools used for the Company's operations	Company	- N/A -	0.11	Used for the Company's business operations
5) Vehicles	Vehicles used for the Company's operations	Company	Under financial lease agreements with 3 companie	5.90	Used for the Company's business operations
<b>Total</b>				<b>21.29</b>	

## 2. Intangible Assets used for Business Operations

As at December 31, 2020, the Company's intangible assets were 1.12 million Baht, including computer software.

## 3. Investments in Subsidiaries and Associates

As at December 31, 2020, the Company did not invest in subsidiaries or associates. However, when considering the investment in subsidiaries or associates, the Company mainly emphasizes on the investment in businesses that support and benefit the Company's business operations by carefully taking into account the return on investment, risks, and financial liquidity of the Company. Such investments must be considered by the Board of Directors and the Shareholders' Meeting in accordance with the specified approval authority and must be implemented in accordance with the requirements and notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Including relevant laws, regulations or announcements and directives. The Company will supervise the operation by assigning directors and/or executives of the Company to be directors of those subsidiaries or associates in order to control the direction and management policy in accordance with the business operations of the Company.



## LEGAL DISPUTES

As at December 31, 2020, the Company had no legal disputes as follows;

- 1) Cases possibly causing a negative impact on the assets of the Company that are higher than 5% of the Company's shareholders' equity.
- 2) Cases significantly affecting the Company's business operations but unable to assess the impact in figures.
- 3) Cases that do not arise from the Company's normal course of business.





## INFORMATION ON SECURITIES AND SHAREHOLDERS

### 1. Amount of Registered Capital and Paid-up Capital

#### 1) Ordinary Shares

As at December 31, 2020, the Company's registered capital was 175,000,000 Baht and the paid-up capital was 175,000,000 Baht, divided into 350,000,000 ordinary shares at the par value of 0.50 Baht per share.

#### 2) Preferred Shares

-N/A-

### 2. Shareholders

#### 1) Top 10 Shareholders Holding the Highest Number of Shares

The list of the top 10 major shareholders of the Company as at December 24, 2020 (the latest closing date of book of shareholders' registration) is as follows;

Shareholders	Number of Shares Held	Shareholding Proportion Percentage of Paid-up Capital
<b>1. Group of Na Lamphun Family</b>		
1.1 Dr. Chainarong Na Lamphun <sup>/1</sup>	102,940,000	29.41
1.2 Dr. Pornlapas Na Lamphun <sup>/2</sup>	33,260,000	9.50
1.3 Dr. Phannachet Na Lamphun	17,680,000	5.05
1.4 Mr. Rathawit Na Lamphun <sup>/3</sup>	17,680,000	5.05
<b>Total of Na Lamphun Family</b>	<b>171,560,000</b>	<b>49.02</b>
2. Mr. Prasit Iamsam-ang	14,560,000	4.16
3. Mr. Somchai Kitmanawat	14,300,000	4.09
4. Mrs. Rangsima Wisetsuthichai	8,000,000	2.29
5. Mr. Thaworn Jidjong	6,340,000	1.81
6. Ms. Rattana Chaowatana	5,820,000	1.66
7. Ms. Nannapat Kongrod	5,200,000	1.49
8. Mrs. Lawan Wanglee	5,000,000	1.43
9. Mr. Tawat Benchapholchai	3,640,000	1.04
10. Dr. Vuthichai Phanchet	3,640,000	1.04

Note

<sup>/1</sup> Dr. Chainarong Na Lamphun is a Director, Authorized Director, Chairman of the Executive Committee, and Chief Executive Officer of the Company and the father of Dr. Pornlapas Na Lamphun, Dr. Phannachet Na Lamphun and Mr. Rathawit Na Lamphun.

<sup>/2</sup> Dr. Pornlapas Na Lamphun is a Director, Authorized Director, Executive Director, and Deputy Chief Executive Officer of Management Department of the Company and the daughter of Dr. Chainarong Na Lamphun.

<sup>/3</sup> Mr. Rathawit Na Lamphun is an Executive Director, Assistant Chief Executive Officer of Chief Executive Officer Office Department, (Acting) Assistant Chief Executive Officer of Administrative Department, and Company Secretary and the son of Dr. Chainarong Na Lamphun.

## 2) Group of Shareholders with Significant Influence on Formulation of Management Policy or Operations of the Company

The Company does not have a major shareholder group that has a significant influence on formulation of management policy or operations of the Company in a practical way.

## 3. Issuance of Other Securities

- N/A -

## 4. Dividend Policy

The Company has a policy to pay dividend to shareholders at a rate of not less than 40% of net profit of the Company's financial statements after deducting taxes, legal reserves and other reserves (if any). However, such dividend payment is subject to change due to performances, financial status, liquidity, necessities in using working capital for implementing the investment plan and future business expansion, market conditions, appropriateness, and other factors relating to the Company's operations and management, provided that the Company must have sufficient cash for its business operation and such operation must create the highest interests to shareholders as agreed and approved by the Board of Directors and/or the shareholders of the Company. The resolution of the Board of Directors approving the dividend payment must be presented to the Shareholders' Meeting for an approval, except for interim dividend payments, which the Board of Directors has the authority to approve the interim dividend payment. Such dividend payments must be reported to shareholders at the next shareholders' meeting.

## Record of Company's Dividend Payment Compared with Net Profit in 2018–2020

Item		Year 2018	Year 2019	Year 2020
Net Profit (Loss)	Million Baht	65.06	31.62	17.78
Paid Dividend	Million Baht	-	30.00 <sup>/2</sup>	-
Rate of Dividend Payment <sup>/1</sup>	Percentage	-	94.87	-

Note

<sup>/1</sup> Rate of Dividend Payment = Net dividend payment / profit (loss) for the period

<sup>/2</sup> The 2020 Annual General Meeting of Shareholders on March 16, 2020 passed the resolution to approve the dividend payment from retained earnings. As at December 31, 2019 (the latest audited financial statements as at the date of consideration of dividend payment to existing shareholders), the number of existing ordinary share before IPO was 500,000 shares at the rate of 60 Baht per share, totaling dividend payment of 30.00 million Baht. Such dividend was paid on March 30, 2020. When considering the retained earnings that the Company used for considering the dividend payment for the year 2019 (retained earnings as at December 31, 2019), the Company had retained earnings of 68.01 million Baht. The rate of dividend payment was 44.11% of retained earnings as at December 31, 2019.

## MANAGEMENT STRUCTURE

### 1. Board of Directors

The list of Board of Directors as at December 31, 2020, consisted of 9 directors as follows;

No.	Name-Surname	Position	Type of Director
1.	Gen. Wuttinun Leelayudth	Chairman of the Board	Independent Director
2.	Dr. Prasert Tapaneeyangkul	Director	Independent Director
3.	Assoc.Prof. Dr. Chotchai Charoenngam	Director	Independent Director
4.	Mrs. Nipa Markpradit	Director	Independent Director
5.	Dr. Chainarong Na Lamphun	Director	Executive Director
6.	Mr. Suchart Kadjinakul	Director	Executive Director
7.	Dr. Pornlapas Na Lamphun	Director	Executive Director
8.	Ms. Nannapat Kongrod	Director	Executive Director
9.	Dr. Vuthichai Phanchet	Director	Executive Director

#### Authorized Director Signing and Binding the Company

Dr. Chainarong Na Lamphun or Dr. Pornlapas Na Lamphun signs together with Ms. Nannapat Kongrod or Dr. Vuthichai Phanchet, totaling 2 persons, and affixes the Company's seal.

The Board of Directors realizes and pays attention to the good corporate governance by performing duties strictly in accordance with the Company's Articles of Association, Public Limited Companies Act, laws on securities and exchange, and other related laws. In addition, the Company established the corporate governance policy to emphasize on the roles and duties of the Board of Directors specified by the Stock Exchange of Thailand as follows;

#### Composition of Board of Directors

- 1) According to the Company's Articles of Association, the Board of Directors consists of at least 5 directors and not less than half of the total number of directors must have a domicile in the Kingdom of Thailand. The Company's directors must be qualified as required by laws and may or may not be shareholders of the Company.
- 2) The structure of the Board of Directors consists of;
  - (1) Executive director
  - (2) Non-executive director
  - (3) Independent directors, comprising at least one-third of independent directors and not less than 3 independent directors. The qualifications of independent directors are as specified by the Stock Exchange of Thailand.
  - (4) The Board of Directors selects one director from the non-executive directors to be the Chairman of the Board.
  - (5) The Board of Directors selects one person to act as the Company Secretary. The Company Secretary may or may not be a director.

#### Duties and responsibilities of the Board of Directors

- 1) Performing duties with responsibility, prudence, and integrity, and carefully protecting the interests of the Company and complying with the laws, objectives, and Articles of Association of the Company as well as the resolution of the Shareholders' Meeting.

- 2) Considering and approving the appointment of a person who has qualifications and does not have the prohibited characteristics as specified in Public Company Limited Act B.E. 2535 and the law on securities and exchange, including the notifications, regulations and/or rules relating to director positions in the event that the director position is vacant due to any reasons other than the retirement by rotation.
- 3) Considering the appointment of the Executive Committee by selecting from the Company's directors and/or executives and also defining the scope of duties and responsibilities of the Executive Committee.
- 4) Considering and appointing independent directors and audit committee members by taking into account the qualifications and prohibited characteristics of the independent directors and the audit committee members according to the law on securities and exchange, including notifications, regulations and/or related rules of the Stock Exchange of Thailand or proposing them to the Shareholders' Meeting for further considering and appointing independent directors and audit committee members of the Company.
- 5) Considering determining and amending the names of the Company's directors authorized to bind the Company
- 6) Appointing any other person to operate the business of the Company under the control of the board of directors or authorizing such person to have power within the period as deemed appropriate by the Board of Directors; The Board of Directors may cancel, revoke, change or amend such powers.
- 7) Considering and approving the transaction and acquisition or disposal of the Company's assets, unless in the event that such transactions require approval from the Shareholders' Meeting; However, such approval shall be in accordance with the relevant notifications, regulations and/or rules of the Stock Exchange of Thailand.
- 8) Considering and approving the connected transaction, unless in the event that such transactions require approval from the Shareholders' Meeting; However, such approval shall be in accordance with the relevant notifications, regulations and/or rules of the Stock Exchange of Thailand.
- 9) Considering and approving the interim dividend payment to shareholders when the Company is profitable enough to do so and reporting such dividend payment to the Shareholders' Meeting in the next shareholders' meeting.
- 10) Being responsible for setting the vision, policy and operating direction of the Company, business strategy, and annual budget and supervising the Management to perform operations in accordance with the specified policies efficiently and effectively in order to add the highest economic value to shareholders and create the sustainable growth of the Company.
- 11) Being responsible to shareholders regularly, performing operations by protecting the interests of shareholders, and disclosing accurate and complete information to investors with standards and transparency.
- 12) The Board of Directors must have knowledge, capabilities, and experiences that will be beneficial to business operations and is truly interested in the business of the Company in which they are a director.
- 13) Evaluating the performances and determining remuneration of the directors and senior executives
- 14) Being responsible for the operating results and the performances of duties of the Management to ensure that they are determined and cautious in performing operations.
- 15) Supervising the establishment of clear and measurable business goals to be used as a guideline for setting operational goals by considering the probability are rationale.
- 16) Supervising business operations and operations ethically.
- 17) Supervising the Management to provide an appropriate and efficient risk management system.
- 18) Considering and making decisions on material matters, such as policies and business plans, large-scale investment projects, management authority, acquisition or disposal of assets, and any other items stipulated by laws.
- 19) Determining the authority and level of approval for transactions and operations relating to the works of the Company for a group or a person based on appropriateness and in accordance with the relevant laws by preparing a manual for operational authority and reviewing it at least once a year.
- 20) Providing an accounting system and reliable financial reporting and audit and also supervising a process for assessing the suitability of internal control.
- 21) Approving the nomination of the auditor and considering the annual audit fee to propose it to the shareholders for consideration and approval of appointment.



- 22) Reporting the responsibility of the Board of Directors for the preparation of the financial report by including the auditor's report in the annual report and covering important matters in accordance with the policy on best practices for directors of listed companies of the Stock Exchange of Thailand.
- 23) Supervising performances of any sub-committees as specified.
- 24) The Board of Directors is responsible for self-assessment of their performances and the overall performances of the Company.

In addition, the Board has duties and responsibilities in accordance with the rules and regulations of the supervisory authorities in the following matters;

### Report on Securities Holding of Directors

For transparency in disclosure of information about the Company's directors and executives, the list of securities holding and the report on changes in securities holding of directors, spouse and non sui juris child are prepared according to the rules in the regulations on the reporting of securities holding and reported to the Office of the Securities and Exchange Commission within the specified period. In summary, the changes in 2020 were as follows;

No.	List	Number of Shares Held as at December 31, 2020	Number of Shares Held as at December 31, 2019	Changes Increase (Decrease) During the Year	Proportion of Shareholding as at December (%)	Date of Appointment of Director/ Executive
1.	Gen. Wuttinun Leelayudth	-	-	-	-	12/09/2017
	Spouse and non sui juris child	-	-	-	-	
2.	Dr. Prasert Tapaneeyangkul	-	-	-	-	12/09/2017
	Spouse and non sui juris child	-	-	-	-	
3.	Assoc.Prof. Dr. Chotchai Charoenngam	100,000	-	100,000	0.03	12/09/2017
	Spouse and non sui juris child	-	-	-	-	
4.	Mrs. Nipa Markpradit	100,000	-	100,000	0.03	12/09/2017
	Spouse and non sui juris child	-	-	-	-	
5.	Dr. Chainarong Na Lamphun	102,940,000	102,440,000	500,000	29.41	06/10/1983
	Spouse and non sui juris child	-	-	-	-	
6.	Mr. Suchart Kadjinakul	1,560,000	1,560,000	-	0.45	15/03/2007
	Spouse and non sui juris child	-	-	-	-	
7.	Dr. Pornlapas Na Lamphun	33,260,000	32,760,000	500,000	9.50	24/02/2015
	Spouse and non sui juris child	-	-	-	-	
8.	Ms. Nannapat Kongrod	5,200,000	5,200,000	-	1.49	02/12/2010
	Spouse and non sui juris child	-	-	-	-	
9.	Dr. Vuthichai Phanchet	3,640,000	3,640,000	-	1.04	24/02/2015
	Spouse and non sui juris child	-	-	-	-	
10.	Mr. Thaworn Jidjong	6,340,000	6,240,000	100,000	1.81	21/02/2019
	Spouse and non sui juris child	-	-	-	-	

No.	List	Number of Shares Held as at December 31, 2020	Number of Shares Held as at December 31, 2019	Changes Increase (Decrease) During the Year	Proportion of Shareholding as at December (%)	Date of Appointment of Director/ Executive
11.	Mr. Chumphol Sangkhapreecha	-	-	-	-	21/02/2019
	Spouse and non sui juris child	-	-	-	-	
12.	Mr. Rathawit Na Lamphun	17,680,000	17,680,000	-	5.05	15/08/2012
	Spouse and non sui juris child	-	-	-	-	
13.	Ms. Rattana Chaowatana	4,150,000	5,720,000	(1,570,000)	1.19	23/08/2011
	Spouse and non sui juris child	-	-	-	-	

### Self-Assessment of the Board

The Company arranges the annual performance evaluation of the Board of Directors. In 2020, there were two types of assessments in accordance with the guidelines of the Stock Exchange of Thailand. The first type is the self-assessment of performances of the Board as a group, divided into 4 topics as follows; (1) Structure and qualifications of the Board, (2) Board of Director's meetings, (3) Roles, duties and responsibilities of the Board, and (4) Other matters and performance evaluation. The second type is the self-assessment of performances of the Board as an individual, divided into 3 topics as follows; (1) Structure and qualifications of the Board, (2) Board of Director's meetings, and (3) Roles, duties and responsibilities of the Board. This is to help the Board consider and review their performances, issues, and obstacles and apply evaluation results and suggestions to improve work efficiency for the best benefit.

Regarding the self-assessment of performances of all sub-committees, namely the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Remuneration Committee, in 2020, the Company Secretary submitted 2 types of assessment forms in accordance with the guidelines of the Stock Exchange of Thailand. The first type is the self-assessment of performances of sub-committee as a group, divided into 3 topics as follows; (1) Structure and qualifications of the sub-committee, (2) Sub-committees' meetings, and (3) Roles, duties and responsibilities of the sub-committee. The second type is the self-assessment of performances of sub-committees as an individual, divided into 3 topics as follows; (1) Structure and qualifications of the sub-committee, (2) Sub-committees' meetings, and (3) Roles, duties and responsibilities of the sub-committee.

4 assessment forms have the following assessment criteria;

Level 4	=	Excellent
Level 3	=	Good
Level 2	=	Fair
Level 1	=	improvement

Summary of the assessment results of the Board of Directors and the Sub-committees was as follows;

- (1) The assessment results of the Board of Directors as a group in an overview of 4 topics showed that most operations were performed excellently with the average score of 3.75. The assessment results of the Board as an individual (Self-Assessment) in the overview of 3 topics showed that most operations performed were performed excellently with the average score of 3.88.

- (2) The assessment results of the Audit Committee as a group in an overview of 3 topics showed that most operations were performed excellently with the average score of 4.00. The assessment results of the Committee as an individual (Self-Assessment) in the overview of 3 topics showed that most operations performed were performed excellently with the average score of 4.00.
- (3) The assessment results of the Executive Committee as a group in an overview of 3 topics showed that most operations were performed excellently with the average score of 3.69. The assessment results of the Committee as an individual (Self-Assessment) in the overview of 3 topics showed that most operations performed were performed excellently with the average score of 3.77.
- (4) The assessment results of the Risk Management Committee as a group in an overview of 3 topics showed that most operations were performed excellently with the average score of 3.52. The assessment results of the Committee as an individual (Self-Assessment) in the overview of 3 topics showed that most operations performed were performed excellently with the average score of 3.58.
- (5) The assessment results of the Nomination and Remuneration Committee as a group in an overview of 3 topics showed that most operations were performed excellently with the average score of 4.00. The assessment results of the Committee as an individual (Self-Assessment) in the overview of 3 topics showed that most operations performed were performed excellently with the average score of 4.00.

The Company will analyze the results for improvement and apply suggestions to obtain efficient operations for the best benefit of the Company.

### **Board of Directors' Meeting**

- 1) The Board of Directors will hold a meeting to acknowledge the Company's operating results at least 6 times a year. In the case that the Board of Directors does not hold a meeting every month, the Board of Directors should assign the Management to report the operating results to the Board of Directors in the month that the meeting is not held so that the Board of Directors will be able to supervise, control, and monitor operations of the Management continuously and timely. At the meeting, the Board of Directors must express opinions and exercise discretion independently.
- 2) Directors should attend every meeting, unless there is a force majeure which must be notified the secretary of the Board of Directors in advance. The Board of Directors should attend at least 75% of the total number of the Board of Directors' meeting held during the year. The Company must report the number of meeting attendance of the directors and include it in the annual report.
- 3) The Board of Directors arranges the meeting schedules and agendas of the Board of Directors' meeting in advance so that directors can arrange time and attend meetings. The secretary of the Board of Directors will submit a letter of invitation to all directors for acknowledging the date, time, venue, and agenda of the meeting at least 7 days in advance. In addition, the secretary of the Board of Directors also collects meeting documents from the directors and the Management and submits them to the Board of Directors in advance. Such documents provide sufficient information for the Board of Directors to make decisions and exercise discretion independently. The secretary of the Board of Directors will record the issues in the meeting to prepare the minutes of meeting with complete content and complete it within 15 days from the date of the meeting. In addition, the secretary of the Board of Directors must provide a good storage system which is easy to find and keep it confidential.
- 4) Any director who has interests in any matter shall have no right to vote on such matter.
- 5) To vote at the Board of Directors' Meeting, the opinion of the majority vote shall be taken into account. In the case of a tie vote, the chairman of the meeting shall have a casting vote. However, the opinions of other directors Anyone who does not vote for approval shall be identified in the minutes of the meeting as well.

**Statistics of Meeting Attendance of Directors and Sub-committee Members in 2020**

No.	List of Director	Board of Director	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Executive Committee
1.	Gen. Wuttinun Leelayudth	8/8	-	-	-	-
2.	Dr. Prasert Tapaneeyangkul	8/8	6/6	-	2/2	-
3.	Assoc.Prof. Dr. Chotchai Charoenngam	8/8	6/6	4/4	-	-
4.	Mrs. Nipa Markpradit	8/8	6/6	-	2/2	-
5.	Dr. Chainarong Na Lamphun	8/8	-	4/4	2/2	12/12
6.	Mr. Suchart Kadjinakul	8/8	-	4/4	-	10/12
7.	Dr. Pornlapas Na Lamphun	8/8	-	-	-	11/12
8.	Ms. Nannapat Kongrod	8/8	-	-	-	12/12
9.	Dr. Vuthichai Phanchet	8/8	-	4/4	-	12/12
10.	Pol. Lt. Gen. Dr. Rapheepat Palawong	-	-	3/4	-	-
11.	Mr. Rathawit Na Lamphun	-	-	-	-	12/12
12.	Mr. Thaworn Jidjong <sup>1/</sup>	-	-	-	-	9/10
13.	Mr. Chumphol Sangkhaapreecha <sup>1/</sup>	-	-	-	-	10/10

Note

- The figure shows the number of meeting attendance of directors per the total number of meetings held.

<sup>1/</sup> New Executive Directors during the year were appointed by the Board of Directors' Meeting No. 1/2020 on February 27, 2020.

**Term of Office of Directors**

The term of office of the Board of Directors according to the Company's Articles of Association is 3 years. each annual general meeting of shareholders, one-third of the directors must vacate office. If the number of directors is not a multiple of three, then the number nearest to one-third (1/3) must vacate office. The retired directors may be re-elected to hold the position.

In the event that the position of the director is vacant for any reason other than the retirement by rotation, the Board of Directors shall elect persons who have qualifications and possess no prohibited characteristics under the law on public limited companies and the law on securities and exchange to be the director at the next Board of Directors' Meeting, unless the remaining term of office of the vacating director is less than two months. The newly appointed director shall hold office only for the remaining term of office of the director whom he or she replaces. The resolution of the Board of Directors under Paragraph One must consist of a vote of not less than three-fourths (3/4) of the number of remaining directors.



## 2. Management Team

The list of Management Team as at December 31, 2020, consisted of 9 persons as follows;

No.	List	Position
1.	Dr. Chainarong Na Lamphun	Chief Executive Officer
2.	Mr. Suchart Kadjinakul	Deputy Chief Executive Officer (Operation)
3.	Dr. Pornlapas Na Lamphun	Deputy Chief Executive Officer (Management)
4.	Dr. Vuthichai Phanchet	Assistant Chief Executive Officer (Special Project)
5.	Ms. Nannapat Kongrod	Assistant Chief Executive Officer (Accounting and Finance)
6.	Mr. Thaworn Jidjong	Assistant Chief Executive Officer (Engineering)
7.	Mr. Chumphol Sangkhaapreecha	Assistant Chief Executive Officer (Business Development)
8.	Mr. Rathawit Na Lamphun	Assistant Chief Executive Officer (Office of Chief Executive Officer), Acting Assistant Chief Executive Officer (Administrative Division)
9.	Ms. Rattana Chaowatana	Accounting Manager

### Scope of Duties and Responsibilities of the Chief Executive Officer

The Board of Directors Meeting No. 1/2020 (the first meeting after the conversion to a public company) on April 30, 2020, passed the resolution to determine the scope and authority of the Chief Executive Officer as follows;

- 1) Supervising business operations, planning operating strategies, and managing routine works of the Company.
- 2) Making decision on important matters of the Company, establishing missions, objectives, guidelines, and policies of the Company, and supervising the administration in any departments.
- 3) Being the person with the authority to supervise, contact, command, and sign any legal contract, order document, and notices as defined in the manual on operating authority.
- 4) Having the authority to hire, appoint and transfer persons as deemed appropriate as well as setting the scope of authority and duties and appropriate remuneration, having the authority to dismiss employees at any levels as deemed appropriate as defined in the manual on operating authority.
- 5) Having the authority to establish commercial terms for the benefit of the Company.
- 6) Considering the investment in new businesses or dissolution and presenting such matter to the Executive Committee and/or the Board of Directors.
- 7) Approving and appointing consultants in any fields necessary for the operations.
- 8) Performing any acts assigned by the Executive Committee and/or the Board of Directors.

However, regarding the abovementioned delegation of authority and responsibility of the Chief Executive Officer, the Chief Executive Officer is required to comply with any requirements and agendas approved by the Board of Directors. This will not include the authority and/or sub-delegation to approve any transaction that he/she or a sub-attorney or a person who may have a conflict (as defined in the Notification of the Capital Market Supervisory Board) has a stake or interests in any other manner that conflicts with the Company. Approval of such transactions must be submitted to the Board of Directors' Meeting and/or the Shareholders' Meeting (as the case may be) to consider and approve such transaction according to the Company's Articles of Association or relevant laws.

The Chief Executive Officer shall not be entitled to perform any acts other than the abovementioned, unless it is assigned by the Board of Directors from time to time.

In addition, the delegation of authority to carry out any important matters is the authorization by the Board of Directors who considers and authorizes the assigned person or group of persons to sub-delegate authority to any person that the Board of Directors or the Chief Executive Officer deems appropriate.

### 3. Company Secretary

According to the provisions of Section 89/15 of the Public Companies Act B.E. 2535, the Board of Directors is required to appoint a company secretary to be responsible on behalf of the company or the board of directors. The Board of Directors Meeting No. 1/2563 (the first meeting after the conversion to a public company) on April 30, 2020, passed the resolution to appoint Mr. Rathawit Na Lamphun to be the Company Secretary.

#### Duties and Responsibilities of Company Secretary

The Company establishes duties and responsibilities of the Company Secretary as follows;

- 1) Preparing and retaining the following documents;
  - (1) Registration of Directors
  - (2) Letter of invitation to the Board of Directors' Meeting, minutes of the Board of Directors' Meeting, and annual report of the Company
  - (3) Letter of invitation to the Shareholders' Meeting and minutes of the Shareholders' Meeting
- 2) Retaining the report on interests reported by directors or executives and submitting the copy of such report to the Chairman of the Board and the Chairman of the Audit Committee within seven business days from the date of receipt of the report.
- 3) Establishing the system for retaining documents and evidences relating to the presentation of the following information, including ensuring that such documents or evidence are kept correctly, completely, and traceably for a period of not less than five years from the date of the preparation of such document or information; Retaining the abovementioned documents and evidence shall include the storage by computer system or any other system that can be viewed without the modification of texts.
  - (1) Providing supporting information for requesting for a resolution of the shareholders' meeting.
  - (2) Financial statements and reports on the financial position and operating results of the Company or any other reports required to be disclosed under Section 56, Section 57, Section 58 or Section 199 of the Securities and Exchange Act.
  - (3) Opinions of the Company when there is a person making a tender offer of the Company from shareholders.
  - (4) Providing information or any other reports on businesses prepared by the Company for disseminating to shareholders or the general public as specified by the Capital Market Supervisory Board.
- 4) Performing other acts specified by the Capital Market Supervisory Board
- 5) Performing duties with responsibility, due care, and integrity and complying with laws, objectives, Articles of Associations of the Company, resolution of the Board of Directors, as well as shareholders' resolutions and avoiding performing any acts significantly against or conflicting with the interests of the Company.
- 6) Performing duties with the responsibility and due care in the similar manner as an ordinary person undertaking the like business under similar circumstances would perform.
  - (1) Decision has been made with honest, belief, and reasonable ground that it is for the best interest of the Company;
  - (2) Decision has been made in reliance of information honestly believed that it is sufficient; and
  - (3) Decision has been made without his interest, whether directly or indirectly, in such matter.

In the case of the Company Secretary vacates office or is unable to perform duties, the Board of Directors shall appoint a new company secretary within 90 days from the date that the former company secretary vacates office or is unable to perform duties.

**Practices of Company Secretary**

- 1) The Company Secretary shall perform duties with responsibility, due care, and integrity and complying with laws, objectives, Articles of Associations of the Company, resolution of the Board of Directors, as well as shareholders' resolutions. Decision must be made in reliance of information honestly believed that it is sufficient.
- 2) Decision has been made without his interest, whether directly or indirectly, in such matter
- 3) Performing acts in good faith for the best interest of the Company
- 4) Performing acts with proper purpose and not performing acts in significant conflicts with the interest of the Company
- 5) Not exploiting the Company's information, unless it is information that has been disclosed to the public, or not using the Company's assets or business opportunities in a manner that violates the rules or general practices as specified in the notification of the Capital Market Supervisory Board
- 6) Not entering into any agreements or contracts which may create a conflict of interest with the Company or its employees or customers and is against the performance of their duties

**In the case that the Company Secretary vacates office or is unable to perform duties,**

Guidelines in the event that the Company Secretary vacates office or is unable to perform duties are defined as follows;

- 1) The Board of Directors shall appoint a new company secretary within 90 days from the date that the former company secretary vacates office or is unable to perform duties.
- 2) The Board of Directors has the power to authorize any director to perform duties during the period that the Company Secretary vacates office or is unable to perform duties.
- 3) The Chairman of the Board shall notify the name of the Company Secretary to the Securities and Exchange Commission within 14 days from the date of the appointment of a person responsible for such position.
- 4) Notifying the Securities and Exchange Commission to acknowledge the location of document storage

**Qualifications of Company Secretary**

The Board of Directors defines the qualifications and experiences of the Company Secretary as follows;

- 1) The Company Secretary is required to attend a certified program and must receive ongoing trainings and knowledge development that will benefit the performance of duties.
- 2) The Board of Directors shall disclose the qualifications and experiences of the Company Secretary in the annual report and on the Company's website.

**4. Remuneration of Directors and Executives****1) Monetary Remuneration****(1) Remuneration of Directors**

The 2020 Annual General Meeting of Shareholders on March 16, 2020, passed the resolution to approve the remuneration for the Board of Directors, the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee, including the annual remuneration for the year 2020 in the total amount of not exceeding 4,500,000 Baht. The details are as follows;

Position	Amount
<b>Meeting Allowances of the Board of Directors</b>	
Chairman of the Board of Directors	20,000 Baht/attendance
Director	14,000 Baht/attendance
<b>Meeting Allowances of the Audit Committee</b>	
Chairman of the Audit Committee	17,000 Baht/attendance
Audit Committee Member	14,000 Baht/attendance
<b>Meeting Allowances of the Risk Management Committee</b>	
Chairman of the Risk Management Committee	17,000 Baht/attendance
Risk Management Committee Member	14,000 Baht/attendance
<b>Meeting Allowances of the Nomination and Remuneration Committee</b>	
Chairman of the Nomination and Remuneration Committee	17,000 Baht/attendance
Nomination and Remuneration Committee Member	14,000 Baht/attendance
<b>Annual Remuneration of Directors</b>	Limit of 2,750,000 Baht/Year

Note

The Company does not pay any remuneration to the executive directors for the Executive Committee's Meeting.

**Summary of Remuneration for Directors and Sub-committees in 2020**

No.	List of Directors	Meeting Allowances of Directors				Annual Remuneration <sup>/1</sup>	Total
		Board of Directors	Audit Committee Member	Risk Management Committee Member	Nomination and Remuneration Committee Member		
1.	Gen. Wuttinun Leelayudth	158,000	-	-	-	-	158,000
2.	Dr. Prasert Tapaneeyangkul	110,000	100,000	-	28,000	-	238,000
3.	Assoc.Prof. Dr. Chotchai Charoengngam	110,000	82,000	66,000	-	-	258,000
4.	Mrs. Nipa Markpradit	110,000	82,000	-	34,000	-	226,000
5.	Dr. Chainarong Na Lamphun	65,200	-	48,400	28,000	-	141,600
6.	Mr. Suchart Kadjinakul	65,200	-	48,400	-	-	113,600
7.	Dr. Pornlapas Na Lamphun	65,200	-	-	-	-	65,200
8.	Ms. Nannapat Kongrod	65,200	-	-	-	-	65,200
9.	Dr. Vuthichai Phanchet	65,200	-	48,400	-	-	113,600
10.	Pol.Lt.Gen. Dr. Rapheepat Palawong	-	-	40,000	-	-	40,000
<b>Total</b>		<b>814,000</b>	<b>264,000</b>	<b>251,200</b>	<b>90,000</b>	<b>-</b>	<b>1,419,200</b>

Note

<sup>/1</sup> The 2020 Annual General Meeting of Shareholders, held on March 16, 2020, passed the resolution to approve the annual remuneration for directors in the amount of 2,750,000 Baht/year. However, due to the epidemic situation causing the economic slowdown, the Board of Directors therefore passed the resolution to approve the omission of such payment.



**(2) Remuneration of Executives**

The Company pays the remuneration of executives in the form of salary, bonus, social security, provident fund contributions, life insurance premium, and other welfares, etc.

**Remuneration : Salary and Bonus**

Remuneration of Executives	Year 2018		Year 2019		Year 2020	
	Quantity (Person)	Million Baht	Quantity (Person)	Million Baht	Quantity (Person)	Million Baht
Salary and Bonus	8	17.45	8	17.74	8	15.20
<b>Total</b>	<b>8</b>	<b>17.45</b>	<b>8</b>	<b>17.74</b>	<b>8</b>	<b>15.20</b>

**Remuneration : Social security, provident fund contributions, life insurance premium, and other welfares**

Remuneration of Executives	Year 2018		Year 2019		Year 2020	
	Quantity (Person)	Million Baht	Quantity (Person)	Million Baht	Quantity (Person)	Million Baht
Social security, provident fund contributions, life insurance premium, and other welfares	8	0.48	8	0.52	8	0.56
<b>Total</b>	<b>8</b>	<b>0.48</b>	<b>8</b>	<b>0.52</b>	<b>8</b>	<b>0.56</b>

**2) Other Remunerations**

The Board of Directors' Meeting No. 5/2020, held on 6 November 2020, passed the resolution to approve the allocation of newly issued ordinary shares to directors, executives and/or employees of the Company in the total amount of not more than 9,000,000 shares or accounting for 10.00% of the number of shares offered. In addition, the qualifications of the directors, executives and/or employees of the Company who are entitled to receive such allocation of newly issued ordinary shares are defined. The details of directors and executives exercise their rights to subscribe for shares are as follows;

No.	Name - Surname	Position	Number of Allocated Shares (Shares)	Number of Shares Subscribed by Directors (Shares)	Percentage of Number of Newly Issued Shares Offered
1.	Gen. Wuttinun Leelayudth	Chairman of the Board/ Independent Director	1,000,000	-	-
2.	Dr. Prasert Tapaneeyangkul	Independent Director	800,000	-	-
3.	Assoc.Prof. Dr. Chotchai Charoenggam	Independent Director	800,000	100,000	0.11
4.	Mrs. Nipa Markpradit	Independent Director	800,000	100,000	0.11
5.	Dr. Chainarong Na Lamphun	Director	600,000	500,000	0.56
6.	Mr. Suchart Kadjinakul	Director	600,000	-	-
7.	Dr. Pornlapas Na Lamphun	Director	600,000	500,000	0.56
8.	Ms. Nannapat Kongrod	Director	600,000	-	-
9.	Dr. Vuthichai Phanchet	Director	600,000	-	-

No.	Name - Surname	Position	Number of Allocated Shares (Shares)	Number of Shares Subscribed by Directors (Shares)	Percentage of Number of Newly Issued Shares Offered
10.	Mr. Thaworn Jidjong	Assistant Chief Executive Officer	200,000	100,000	0.11
11.	Mr. Chumphol Sangkhaapreecha	Assistant Chief Executive Officer	100,000	-	-
12.	Mr. Rathawit Na Lamphun	Assistant Chief Executive Officer	100,000	-	-
<b>Total</b>			<b>6,900,000</b>	<b>1,300,000</b>	<b>1.45</b>

## 5. Personnel

### 1) Number of Employees (Excluding Management Team)

As at December 31, 2020, the Company had 144 employees (Excluding executives). The number of employees can be classified by the department as at December 31, 2018, December 31, 2019 and December 31, 2020 as follows;

Department	Quantity (Person)		
	December 31, 2018	December 31, 2019	December 31, 2020
Project Management Department	19	17	1
Technical and Design Department	16	18	21
Business Development Department	12	11	10
Information Technology Department	8	8	6
Special Project Department	11	7	47
Budget Control Department	4	4	4
Management Department <sup>/1</sup>	27	28	26
Accounting Department	10	10	10
Finance Department	5	5	5
Human Resources Department	7	8	6
Secretariat Department	4	6	5
Corporate Public Relations Department	2	3	3
<b>Total</b>	<b>125</b>	<b>125</b>	<b>144</b>

#### Note

<sup>/1</sup> The Management Department consists of the maintenance section, the administrative service section, the document control section, the contract management section, and the procurement section.

### 2) Total Remuneration of Employees and Nature of Remuneration

(Unit : Million Baht)

Remuneration of Employees	Year 2018	Year 2019	Year 2020
Salary, allowance, overtime pay, bonus, Social Security, life insurance premium, provident fund contributions	84.19	78.76	59.00
<b>Total Remuneration of Employees</b>	<b>84.19</b>	<b>78.76</b>	<b>59.00</b>

#### Note

The Company established the registered provident fund under the management of MFC Asset Management (Public) Company Limited on January 30, 2015.

**3) Major Labor Disputes in the Past 3 Years**

- N/A -

**4) Personnel Development Policy**

The Company pays attention to the human resource development in the organization to enhance knowledge, understanding, capability, and working skills for employees, including raise awareness to employees to perform their duties with integrity and responsibility for works and organization, understand their assigned works, and work with others effectively to achieve the organization's goals. In addition, the Company also considers and pays attention to the enhancement of competitiveness of its employees, develops the organization to be a learning organization, and create organizational cultures through management innovation and good governance. The Company establishes the annual training plan, including in-house trainings provided by the qualified lecturers who are the Company's executives and external persons with specific skills, knowledge and capabilities. In addition, the Company also dispatches its personnel to attend the training courses of external agencies so that they will gain knowledge and ability to work and apply it to develop the organization for the sustainable growth and development.

The average training hours of employees in 2020 were 6.7 hours per person. The details are as follows;

Name of Course		Number of Employees Attending Trainings (Person)	Duration of Training (Hour)
<b>1.</b>	<b>Financial, Accounting, and Budget Control</b>		
	- Up data Changes in Accounting Course Year 2020	1	3
	- e-Tax invoice & e-Receipt Course	2	2
	- Changes and Major Issues of TFRS (Revision 2019) f or Member and General Persons Course,	1	6.5
	- Class 1/2563 Financial Reporting Standards before Listing on Stock Exchange Course	1	6.5
<b>2.</b>	<b>Design Engineering</b>		
	- Safety Standard for Underground Tunneling Course (Online)	6	2
	- Introduction to Process Safety and Risk Management Course (Online)	4	2
	- Project of New Generation Leader Development in Construction Industry Course, Class 6	1	91
<b>3.</b>	<b>Management</b>		
	- Assignment and Controlling Techniques Course	36	6.5
<b>4.</b>	<b>Occupational Health, Safety, and Environment</b>		
	- Firefighting and Evacuation Training Course	76	6
	- Safety Officer at Executive Level Course	1	14
<b>5.</b>	<b>Ethics</b>		
	- Morality and Ethics for Human Resource Development for Sustainable Organization Course	101	7

**5) Occupational Safety and Work environment**

The Company always realizes and pays attention to the occupational safety of employees and work environment. Regarding the project management of the Company, the policy on occupational health and safety is clearly established, including a safety manual to guide the implementation. In the office area, the Company arranges the hygienic and safe workplace according to specified standards.

Regarding the statistics on accident, rate of leaves, and rate of occupational illness in 2020 can be summarized as follows;

Average Number of Employee Leave	Year 2020	
Sick leave	1.13	Day/Person
Leave from occupational injury and illness	-	Day/Person
Personal leave	0.69	Day/Person
Vacation leave	1.50	Day/Person
Number of deaths due to work-related accidents	-	Person





## CORPORATE GOVERNANCE

### 1. Manual on Good Corporate Governance (Code of conduct)

the Board of Directors' Meeting No. 3/2020 (after the conversion to a public company) on August 14, 2020, passed a resolution to approve the formulation of the policy on good corporate governance and business ethics in accordance with the guidelines of the Securities and Exchange Commission of Thailand to be used as the framework for business operations, as well as the emphasis on the fair and equitable treatment of shareholders, and the correct and adequate presentation of information to ensure the transparency of the Company's operations at all levels, including the Board of Directors, executives, employees, and stakeholders, and the long-term benefits of shareholders, customers, investors, and the general public. This also includes the establishment of the Code of Business Ethics and the Code of Conduct to be the guideline for the performance of duties of directors and executives in accordance with the Code of Best Practice for directors of listed companies and to comply with good corporate governance principles as prescribed by the Office of the Securities and Exchange Commission of Thailand. The substance of corporate governance is divided into 8 principles as follows;

#### **Principle 1 : Awareness of roles and responsibilities of the Board of Directors as a leader in an organization creating sustainable value for the Company**

- 1.1 The Board of Directors understands the roles and recognizes the responsibilities as a leader to supervise the organization's good management, which includes;
  - Establishing objectives and goals.
  - Establishing strategies and operating policy, and allocating important resources to achieve objectives and goals.
  - Monitoring, evaluating, and supervising performance reporting.
- 1.2 The Board of Directors will supervise the Company to lead to the Good Governance Outcome at least in the following matters;
  - Being competitive and having good operating results with long-term impact in mind.
  - Conducting business ethically, respecting the rights, and being responsible for shareholders and stakeholders.
  - Being beneficial for society and developing or mitigating negative impacts on the environment.
  - Being adapted under changing factors.

The Board of Directors will adhere to the following principles to supervise the Company to lead to the good corporate governance outcome.

- 1) The Board of Directors will mainly take into account the ethical conduct of the business and its impact on society and environment, apart from financial operating results.
  - 2) The Board of Directors will behave as a model and a leader in good corporate governance to drive an ethical organizational culture and lead the organization to long-term sustainability.
  - 3) The Board of Directors will provide a charter and policy for directors, executives, and employees, representing written principles and operating guidelines, such as code of conduct, etc. The charter and policy are communicated to the executive directors and employees so that they understand and provide sufficient mechanisms to facilitate the implementation of the policy. In addition, the Board of Directors will follow up the performances and review policies and practices on a regular basis.
- 1.3 The Board of Directors will ensure that all directors and executives perform their duties with duty of care and duty of loyalty and supervise the operations to be in compliance with the laws, regulations, and resolutions of the Shareholders' Meeting as well as the policies or specified guidelines. The Company also establishes approval processes for important operations in accordance with the Manual of Operating Authority, such as investment, transactions having a significant impact on the Company, transactions with connected persons, acquisition/disposal of assets, and dividend payment, etc.

- 1.4 The Board of Directors will understand the scope of duties and responsibilities of the Board of Directors and clearly define the scope of the assignment of duties and responsibilities to the Chief Executive Officer and the Management as well as monitor and supervise the Chief Executive Officer and the Management to perform assigned duties.
- 1) The Board of Directors will prepare the charter or corporate governance policy of the Board of Directors which specifies the duties and responsibilities of the Board of Directors for using it as a reference in the performance of duties of all directors. Such charter is reviewed regularly at least once a year. In addition, the separation of roles and duties of the Board of Directors, the Chief Executive Officer, and the Management are consistently reviewed to be in line with the direction of the organization.
  - 2) The Board of Directors will understand the scope of its duties and authorize the management authority to the Management by preparing a written record. However, such authorization does not relieve the responsibilities of the Board of Directors. The Board of Directors must monitor the Management to perform its assigned duties. The scope of duties of the Board of Directors, the Chief Executive Officer, and the Management may be divided as follows;

#### Matters to be Supervised for Operation

These refer to the matter for which the Board of Directors is primarily responsible to ensure appropriate operations. However, the Board of Directors may assign the Management to proposal matters for consideration, which includes the following matters;

- Defining objective and main goals of business operations.
- Creating an ethical organizational culture and behaving as a role model.
- Supervising the Board of Directors' structure and operations appropriately to effectively achieve the objectives and main goals of business operations.
- Determining the compensation structure that motivates personnel to perform operations in line with objectives and main goals of the organization.

#### Matters to be Operated with the Management

These refer to the matters that the Board of Directors, the Chief Executive Officer, and the Management committee will jointly consider. The Management will propose the matter to the Board of Director for approval. The Board will supervise the overall policy to be consistent with the objectives and main goals of business operations and assign the Management to perform operations. The Board of Directors monitors and assigns the Management to report such matters to the Board at regular intervals as deemed appropriate, which include the following matters;

- Formulating and reviewing strategies, goals, and annual action plans.
- Supervising the adequacy of risk management and internal control systems.
- Determining appropriate operating authority and responsibilities of the Management.
- Establishing the frame of resource allocation, development, and budgeting, such as human resource management policy and plans, and information technology policy.
- Monitoring and evaluating performances.
- Supervising the disclosure of reliable financial and non-financial information.

#### Matters not to be Operated by the Board

These refers to the matters that the Board of Directors will supervise at the policy level by assigning the Chief Executive Officer and the Management to be mainly responsible for operations, which includes the following matters;

- Management (Execution) in accordance with strategies, policies, and action plans approved by the Board; The Board of Directors should allow the Management to be responsible for making operational decisions, such as procurement, recruitment of personnel, etc., in accordance with the specified policy framework, and monitoring results without interfering with the decision unless it is necessary.
- Matters that the requirements prohibit, such as approval of transactions that directors have interests, etc.

## **Principle 2 : Defining the Company's objectives and main goals for sustainability**

2.1 The Board of Directors determines or supervises the Company's objectives and main goals for sustainability. It is the objective and goal that is consistent with creating value for the Company, customers, stakeholders, and society.

- 1) The Board of Directors is responsible for ensuring that the Company has clear and appropriate objectives or goals, which can be used as a main concept to define a business model and communicate to everyone in the organization to move forwards to the same direction by creating the corporate vision and values or principles and purposes or other similar matters.
- 2) To achieve the objectives or main goals, the Board of Directors will establish a business model that can create values for the Company, stakeholders, and the society by considering the following matters;
  - Environment and changing factors, including the appropriate application of technologies
  - Demand of customers and stakeholders
  - Availability, expertise, and competitiveness of the Company
  - Objectives of the establishment of the Company
  - Company's main customer group
  - Profitability or competitiveness by creating value proposition for the Company and customers
  - Company's long-term existence under factors of opportunity and risk affecting the Company and its stakeholders
- 3) The Board of Directors will promote the organization's values in good corporate governance, such as accountability, integrity, transparency and due consideration of social and environmental responsibilities.
- 4) The Board of Directors will promote communication and strengthen the organization's objectives and main goals reflected in the decision-making and operations of personnel at all levels until it creates an organizational culture.

2.2 The Board of Directors will supervise the objectives and goals, including the medium-term strategies and/or annual action plans of the Company in accordance with the Company's objectives and main goals by applying innovations and technologies appropriately and safely.

- 1) The Board of Directors will supervise the preparation of strategies and annual action plans that are in line with the Company's objectives and main goals by taking into account the Company's current environmental factors as well as opportunities and acceptable risks. The Company also promotes the preparation or review of objectives, goals, and strategies for the medium term of 3-5 years to ensure that the impacts in a longer period are considered in strategies and annual plans and are reasonably predictable.
- 2) To formulate strategies and annual action plans, the Board of Directors will ensure that the environment, factors, and risks possibly affecting relevant stakeholders throughout the value chain are analyzed, including factors possibly affecting the Company's main goals. There is a mechanism for truly understanding the needs of stakeholders. The principles are as follows:

- (1) Clearing identifying methods, processes, participation channels or communication channels between the stakeholders and the Company so that the Company is able to access and receive the most accurate information, issues or needs of each stakeholder group.
  - (2) Identifying relevant internal and external stakeholders of the Company, who are an individual, a group of person, and an organization, such as employees, investors, customers, business partners, community, society, environment, government agencies, and supervisory agencies, etc.
  - (3) Identifying issues and expectations of stakeholders to analyze and classify the level of such issues based on the importance and impacts incurring to the Company and its stakeholders; This is to select important issues that will create value together with the stakeholders to achieve results.
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- 3) To formulate a strategy, the Board of Directors will supervise the promotion of innovation creation and the application of innovation and technology to create competitiveness and meet the needs of stakeholders based on the social and environmental responsibility.
  - 4) The Board of Directors will set goals that are suitable for the business environment and potential of the Company. The Board of Directors will consider and define the monetary and non-monetary goals. In addition, the Board of Directors is aware of the risk of setting goals that may lead to illegal or unethical conduct.
  - 5) The Board of Directors will supervise the convey of objectives and goals through strategies and action plans throughout the organization.
  - 6) The Board of Directors will supervise the allocation of resources and appropriate operational control and monitor the implementation of the strategies and annual action plans by assigning the responsible person to supervise and monitor the performances.

### **Principle 3 : Strengthening the effective Board**

- 3.1 The Board of Directors is responsible for determining and reviewing the Board's structure in terms of size, composition, and proportions of independent directors that are appropriate and necessary to lead the organization to its specified objectives and main goals.
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- 1) The Board of Directors is responsible for supervising the Board to consist of directors who have various qualifications in terms of skills, experience, capability, and specific characteristics to ensure that the Board of Directors has appropriate qualifications, understands, and responds to the needs of stakeholders. In addition, there must be at least one non-executive director who has experiences in the main business or industry in which the Company operates.
  - 2) The Board of Directors will consider the appropriate number of directors to perform its duties effectively. It must consist of at least 5 directors and not less than half of the total number of directors must have a domicile in Thailand.
  - 3) The Board of Directors has the proportion between executive directors and non-executive directors that reflect the appropriate balance of power.
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- (1) The majority of directors should be non-executive directors who can independently express opinions on the Management's operations.
  - (2) The number of independent directors and their qualifications must be in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Such independent directors are able to work effectively with all committees and express their opinions independently.



- 4) The Board of Directors will disclose policies to determine the composition of the Board of Directors and information of directors, such as age, gender, education background, experiences, shareholding proportion, director's term of office, and directorship in other listed companies, in the annual report and on the Company's website.
- 3.2 The Board of Directors will select a qualified person to be the Chairman of the Board of Directors and ensure that the composition and operation of the Board of Directors is conducive to the exercise of discretion to make independent decisions.
- 1) The Chairman of the Board of Directors and the Chief Executive Officer have different duties and responsibilities. The Board of Directors will clearly determine the authority of the Chairman of the Board of Directors and the Chief Executive Officer. To prevent any one person from having unlimited authority, the Company will separate the person who holds the position of the Chairman of the Board from the person who holds the position of the Chief Executive Officer.
  - 2) The Chairman of the Board of Directors is the leader of the Board of Directors. The duties of the Chairman of the Board of Directors will include the following matters;
    - (1) Supervising, monitoring, and ensuring that the performances of the Board of Directors are effective and meets the objectives and main goals of the organization.
    - (2) Ensuring that all directors participate in promoting ethical organizational culture and good corporate governance.
    - (3) Determining the agenda of the Board of Directors' Meeting by discussing with the Chief Executive Officer and providing measures to include important matters in the agenda.
    - (4) Allocating sufficient time for the Management to propose matters and for the directors to discuss the key issues carefully and thoroughly, and encouraging directors to exercise prudent discretion and express opinions independently.
    - (5) Strengthening the relationship between executive directors and non-executive directors and between the Board of Directors and the Management.
  - 3) In the event that the Chairman of the Board and the Chief Executive Officer are not clearly separated, for example, the Chairman of the Board and the Chief Executive Officer are the same person, the Chairman of the Board is not an independent director, the Chairman of the Board and the Chief Executive Officer are the same family members, or the Chairman of the Board is the member of the Executive Committee, the Working Group, or is assigned to have the management responsibility, etc., the Board of Directors will promote the balance of power between the Board of Directors and the Management based on;
    - (1) Composition of the Board of Directors consisting of more than half of the independent directors, or
    - (2) Appointing an independent director to jointly consider and approve the agenda of the Board of Directors' Meeting.
  - 4) The Board of Directors will establish the policy for independent directors to hold the position for not more than 9 consecutive years from the date of their first appointment as independent directors. In the event that such independent director will be appointed to continue holding the position, the Board of Directors shall reasonably consider such necessity.
  - 5) To allow important matters to be carefully considered, the Board of Directors will consider the appointment of sub-committees to consider specific issues, screen information, and propose approaches for consideration before presenting them to the Board of Directors for further approval.
  - 6) The Board of Directors will supervise the disclosure of the roles and duties of the Board of Directors and sub-committees, the number of meetings and the number of meeting attendance of each director in the past year, and the report on performances of all sub-committees.

3.3 The Board of Directors should supervise the nomination and selection of directors with transparent and clear processes in order to recruit a director having the qualifications according to the specified composition.

- 1) The Board of Directors will establish the Nomination and Remuneration Committee which the majority of members and the Chairman are independent directors.
- 2) The Nomination and Remuneration Committee will hold a meeting to consider the criteria and procedures for the nomination of directors in order to recruit a qualified director who will enable the Board of Directors to have a suitable composition, knowledge, and expertise. In addition, the profile of such person will be considered and proposed to the Board of Directors before presenting it to the Shareholders' Meeting to appoint the director. Additionally, the Company will sufficiently inform shareholders of information on persons being nominated to support the decision-making.
- 3) The Nomination and Remuneration Committee will review the rules and procedures for the nomination of directors in order to suggest the Board of Directors prior to the nomination of directors retired by rotation. In the case of the nomination of the former director, the duty performances of such director should be taken into account as follows;
- 4) In the event that the Board of Directors appoints any person to be an advisor of the Nomination and Remuneration Committee, the advisor's information shall be disclosed in the annual report, including independence or non-conflict of interest.

3.4 To propose the remuneration of the Board of Directors to the shareholders for approval, the Board of Directors will consider the structure and remuneration rate to be appropriate for their responsibilities and motivate the Board of Directors to lead the organization to achieve both short-term and long-term goals.

- 1) The Board of Directors will establish the Nomination and Remuneration Committee, which the majority of members and the Chairman are independent directors, in order to consider the policies and rules for determining remuneration.
- 2) Directors' remuneration must be in line with the Company's long-term strategies and goals, experiences, duties, scope of accountability and responsibility as well as the expected benefits of each director. Directors who are assigned additional duties and responsibilities, such as being a member of sub-committees, should also receive appropriate additional remuneration. However, it must be in the manner that is comparable to the level of practice in the same industry.
- 3) Shareholders must approve the structure and remuneration of directors in both monetary and non-monetary form. The Board of Directors will consider each type of remuneration appropriately, including fixed remuneration (e.g. regular remuneration, meeting allowance) and remuneration based on the Company's operating results (e.g. bonuses, gratuities). These are linked to the value generated by the Company to shareholders, but the level is not too high that causes the emphasis on short-term operating results only.
- 4) The Board of Directors will disclose the policies and rules for determining directors' remuneration that reflects the duties and responsibilities of each director, including the type and the amount of remuneration. However, the amount of remuneration disclosed shall include the remuneration received by each director as a director of the subsidiary.
- 5) In the event that the Board of Directors appoints any person to be an advisor of the Nomination and Remuneration Committee, the advisor's information shall be disclosed in the annual report, including independence or non-conflict of interest.

3.5 The Board of Directors is responsible for supervising all directors to be responsible for performing their duties and allocating sufficient time,

- 1) The Board of Directors will ensure that there is a mechanism to encourage directors to understand their roles and responsibilities.

- 2) The Board of Directors will determine the rules for holding the position of directors in other companies of the Company's directors by considering the performances of the directors holding the position in several companies to ensure that the directors can devote sufficient time to perform their duties in the Company. The number of listed companies that each director will hold the position will be determined appropriately based on the nature or business condition of the Company. However, the number shall not exceed 5 listed companies because the efficiency of the duty performance as a director may decrease if the number of companies in which directors hold positions is excessive. In addition, the Company also discloses such rules.
  - 3) The Board of Directors will provide the system to report the holding of other positions of the Company's directors and disclose it for acknowledgement.
  - 4) In the event that a director holds a position of a director or an executive or has a direct or indirect interest in other businesses that have conflicts or exploit the Company's opportunities or information for his or her own benefit, the Company must ensure that the Company has adequate preventive measures and informs the shareholders as deemed appropriate.
  - 5) Each director of the Company shall attend the meeting of not less than 75% of the total number of Board of Directors' Meetings held for the year, unless there is any necessary event.
- 3.6 The Board of Directors is responsible for supervising the framework and mechanisms for overseeing the policies and operations of the subsidiaries (if any) and other businesses in which the Company invests significantly at the appropriate level for each business. The subsidiaries and other businesses in which the Company invests shall have the same understanding as well.
- 1) The Board of Directors will consider and establish the governance policy for subsidiaries (if any), including;
    - (1) Level of appointment of persons to be directors, executives or controlling persons of a subsidiary; the Board will appoint such person, unless such company is a small company which is the operating arms of the Company. In such case, the Board of Directors may assign the Chief Executive Officer to consider the appointment.
    - (2) Determining the scope of duties and responsibilities of the person representing the Company in accordance with Clause (1) and assigning the Company's representatives to supervise the compliance with the policies of subsidiaries; In the case that the subsidiary has other investors, the Board of Directors will establish the policy for the representative to perform its best effort for the benefits of the subsidiary and to comply with the policies of the parent company.
    - (3) The subsidiary's internal control system is appropriate and sufficiently concise and all transactions are made legally according to relating rules.
    - (4) Disclosure of financial position and operating results, transactions with connected persons, acquisition or disposal of assets, other significant transactions, capital increase, capital decrease, dissolution of subsidiaries, etc.
  - 2) If it is a significant investment in other businesses, such as having a shareholding proportion with voting rights of 20% but not more than 50%, and the amount of investment or the amount possibly required additional investment is significant to the Company, if necessary, the Board of Directors shall ensure that the shareholders' agreement or other agreements are prepared to clearly clarify the management authority, the participation in important decision-making, and performance monitoring in order to be used as information in the preparation of the Company's financial statements to meet the standards and schedules.
- 3.7 The Board of Directors will provide an annual performance evaluation of the entire Board of Directors and also evaluate the performances of sub-committees and individual directors in order to consider and review their performances, problems, and obstacles of each year. The results of the evaluation can be used to develop and improve operations in various areas.

- 1) The Board of Directors will evaluate the performances at least once a year so that the Board of Directors can jointly consider the performances and problems for further improvement. The norms that will be used to compare with the performance are established based on rules.
  - 2) Regarding the performance evaluation, it will be conducted in form of the entire group and the individual. It must be at least a self-assessment method or the Board of Directors will consider using the cross-evaluation method. The rules, procedures, and overall evaluation results shall be disclosed in the annual report.
  - 3) The Board of Directors may consider appointing an external advisor to help determine the guidelines and suggest issues relating to the Board's performance evaluation at least every 3 years. The results of such operation shall be disclosed in the annual report.
  - 4) The evaluation results of the Board of Directors must be used for supporting the consideration of the appropriateness of the Board of Directors' composition.
- 3.8 The Board of Directors will supervise the Board of Directors and each director to have knowledge and understanding of the roles, duties, nature of business operations, and laws relating to business operations, and also encourage all directors to regularly strengthen their skills and knowledge for their performance of duties.
- 1) The Board of Directors will ensure that useful information on the performance of duties will be introduced to the person appointed to be a new director, including understanding of the objectives, main goals, vision, mission, corporate values, nature of business, and business practices of the Company.
  - 2) The Board of Directors will ensure that the directors receive necessary trainings and continuous knowledge development.
  - 3) The Board of Directors will understand the laws, rules, standards, risks, and environments relating to business operations, and is regularly informed of updated information.
  - 4) The Board of Directors will disclose the information on trainings and continuous knowledge development of the Board of Directors in the annual report.
- 3.9 The Board of Directors will ensure that the Board of Directors' operations are carried out in an orderly manner. They are able to access the necessary information. The Company Secretary has the necessary and appropriate knowledge and experiences to support the Board of Directors' operations.
- 1) The Board of Directors shall arrange the meeting schedule and the agenda of the Board of Directors' Meeting in advance so that the directors can allocate their time to attend the meeting.
  - 2) The number of the Board of Directors' meetings will be considered appropriately based on the duties and responsibilities of the Board of Directors and the nature of the Company's business operations. It shall be approximately 6 times a year, but not less than 4 times a year. In the event that the Board of Directors does not hold a monthly meeting, the Board of Directors shall assign the Management to report the performances to the Board of Directors in the month that the meeting is not held so that the Board of Directors can supervise and oversee the Management's operations continuously and timely.
  - 3) The Board of Directors shall ensure that there is a mechanism for each director. The Management is also independent to propose matters that are beneficial to the Company and include them in the meeting agenda.
  - 4) The meeting documents will be submitted to the directors at least 7 days prior to the meeting date, unless in the case of urgent and necessary event. To maintain the Company's rights or benefits, the meeting appointment may be notified by other means and the meeting date may be scheduled earlier.
  - 5) The Board of Directors will encourage the Chief Executive Officer to invite senior executives to attend the Board of Directors' Meetings in order to provide additional information as they are directly involved with the issues, and to have the opportunity to know senior executives for consideration of the succession plan.



- 6) The Board of Directors will access to additional necessary information from the Chief Executive Officer, the Company Secretary, or other designated executives within the specified scope of policy. If necessary, the Board of Directors may provide independent opinions from external consultants or professionals at the Company's expenses.
- 7) The Board of Directors may consider and establish the policy for non-executive directors to have the opportunity to hold their own meeting as necessary in order to discuss issues relating to the management that are in the limelight without the attendance of the Management. However, the managing director shall be informed of the meeting results.
- 8) The Board of Directors shall determine the qualifications and experiences of the Company Secretary, who is suitable for performing duties of providing legal advices and any rules to be acknowledged by the Board of Directors, supervising and handling with documents of the Board of Directors' Meeting, important documents, and activities of the Board of Directors, and coordinating to ensure the compliance with the Board of Directors' resolutions. In addition, the Board of Directors will disclose the qualifications and experiences of the Company Secretary in the annual report and on the Company's website.
- 9) The Company Secretary will attend trainings and continuous knowledge development that will be beneficial to the performance of duties. In the case of Certified Program, the Company Secretary will also attend such training.

#### **Principle 4 : Nomination and development of senior executives and personnel management**

- 4.1 The Board of Directors will ensure that there is the nomination and development of managing director and senior executives who have knowledge, skills, experiences and qualifications necessary to drive the organization towards its goals.
  - 1) The Board of Directors will consider or assign the Nomination and Remuneration Committee to consider the rules and procedures for the nomination of qualified persons to hold the position of the Chief Executive Officer.
  - 2) The Board of Directors will monitor the Chief Executive Officer to ensure that there is an appropriate senior executive. The Board of Directors or the Nomination and Remuneration Committee shall at least cooperate with the Chief Executive Officer to jointly consider the rules and procedures for the nomination, appointment, and approval of persons nominated by the Chairman of the Board of Directors to be the Chief Executive Officer.
  - 3) To ensure the ongoing business operations, the Board of Directors shall supervise the succession plan in order to prepare the succession of the position of Chief Executive Officer and senior executives. The Chief Executive Officer shall report the performances according to the succession plan to the Board of Directors for acknowledgement at least once a year.
  - 4) The Board of Directors will promote and encourage the Chief Executive Officer and senior executives to be trained and developed in order to enhance their knowledge and experiences that are beneficial to the operations.
  - 5) The Board of Directors clearly establishes the policies and practices for directorship in other companies of the Chief Executive Officer and senior executives, including the type of director position and the number of companies in which a person can be appointed as a director.
- 4.2 The Board of Directors, with the recommendations of the Nomination and Remuneration Committee, will supervise the determination of appropriate remuneration structure and evaluation.
  - 1) The Board of Directors will determine the remuneration structure that motivates senior executives to perform their duties in accordance with the objectives and main goals of the organization and in line with the Company's interests in the long term.
  - 2) The Board of Directors will consider and approve the rules and factors of performance evaluation as well as approve the remuneration structure of senior executives and monitor the Chief Executive Officer to evaluate senior executives in accordance with the evaluation rules.

- 4.3 The Board of Directors will understand the structure and the relationship of shareholders that may affect the management and operations of the Company.
- 1) The Board of Directors will understand the structure and the relationship of shareholders, which may be in the form of the agreement, shareholders or the policies of the parent company group, that affect the authority to control the management of the Company.
  - 2) The Board of Directors shall ensure that the agreement under Clause 1 will not hinder the duty performance of the Board of Directors, such as providing a qualified person for succession.
  - 3) The Board of Directors shall supervise the disclosure of information in accordance with any agreements affecting the Company's control.
- 4.4 The Board of Directors will monitor the management and develop personnel to have appropriate knowledge, skills, experiences, and motivation.
- 1) The Board of Directors will ensure that the human resources management is in line with the direction and strategies of the organization. Employees at all levels have appropriate knowledge, capabilities, and motivation and are treated fairly in order to maintain the talented personnel of the organization.
  - 2) The Board of Directors will supervise the establishment of the provident fund or other mechanisms to ensure that employees have sufficient savings to support their retirement. Employees are encouraged to have knowledge and understanding of money management, selection of investment policies based on the range of age and risk level, or Life Path investment policy.

**Principle 5 : Promotion of innovation and responsible business operations**

- 5.1 The Board of Directors focuses on and supports the creation of innovations creating values to the business and benefits to customers or related parties and the social and environmental responsibility.
- 1) The Board of Directors will focus on creating an organizational culture that promotes innovation and supervise the Management to use it as a part of the review of strategies, planning of operation improvement, and monitoring of performances.
  - 2) The Board of Directors will promote the creation of innovation to add values for the Company based on the changing factors. It may cover the business model, thinking methods, concept of product and service design and development, research, improvement of production processes and work processes as well as cooperation with business partners.

However, the above operations should be in the manner that creates mutual benefits for the Company, customers, business partners, society, and environment and does not encourage inappropriate behaviors and illegal or unethical activities.

- 5.2 The Board of Directors will monitor the Management to conduct business with social and environmental responsibility and reflect in the operational plan to ensure that all parties of the organization perform operations in accordance with the Company's objectives, main goals, and strategies.

The Board of Directors will ensure that the Company conducts its business ethically, is responsible for the society and the environment, and does not violate the rights of stakeholders in order to guide all parts of the organization to achieve the objectives and main goal of sustainability. The policy on business ethics is established which covers the following matters;

- 1) Responsibility for employees and workers by complying with related laws and standards and treating employees and workers fairly and respecting human rights, such as determining fair remuneration and other benefits, managing welfares that are not less than those required by laws or more as deemed appropriate, overseeing occupational health and safety, providing educational trainings, developing competencies, promoting progresses, and offering the opportunity to employees to develop their work skills in other areas.

- 2) Responsibility for customers by complying with relating laws and standards and taking into account health, safety, fairness, retention of customer data, after-sales service throughout the life span of products and services, customer satisfaction measurement and follow-up for the development of products and services as well as advertising and sale promotions, which must be carried out responsibly, do not mislead, or exploit customers' misunderstandings.
  - 3) Responsibility for suppliers by providing the fair procurement process and terms of contract or agreement, providing knowledge, developing competencies and enhancing productivity, provide services meeting the standards, clarifying and supervising business partners to respect human rights and treat their own workers fairly, being responsible for the society and the environment as well as monitoring and evaluating business partners for sustainable business development.
  - 4) Responsibility for communities by applying business knowledge and experiences to develop projects that can benefit the community in a concrete way, providing long-term monitoring and measurement of progress and success.
  - 5) Responsibility for environment by preventing, reducing, managing, and ensuring that the Company does not create or cause negative impacts on the environment, which include the use of raw materials, energy consumption (for production, transportation, or in the office), water consumption, renewable resource consumption, release and management of waste generated by business operations, greenhouse gas emissions, etc.
  - 6) Fair competition by conducting business openly and transparently and not creating an unfair competitive advantage.
  - 7) Anti-corruption by complying with relating laws and standards and requiring the Company to announce the anti-corruption policy to the public; the Company may consider participating in the Collective Action Coalition Against Corruption and encourage other companies and business partners to provide and announce anti-corruption policies as well as join the Collective Action Coalition Against Corruption.
- 5.3 The Board of Directors will monitor the Management to allocate and manage resources efficiently and efficiently. The impact and development of resources throughout the value line is taken into account in order to achieve its objectives and main goals sustainably.
- 1) The Board of Directors is aware of the need of resources and realizes that the use of each type of resource affects each other.
  - 2) The Board of Directors recognizes that the different business models also cause different impacts on resources. As a results, to make a decision on a business model, the impact and the cost-effectiveness that will occur to resources are considered on the basis of ethical conduct, responsibility, and creation of sustainable value for the Company.
  - 3) The Board of Directors will ensure that, to achieve the objectives and main goals of the Company, the Management will review, develop, and manage the use of resources effectively and efficiently by considering the changes of internal and external factors.
- There are at least six types of resources that the Company should take into account; Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Social and Relationship Capital, and Natural Capital.
- 5.4 The Board of Directors will provide a framework for corporate information technology governance and management that is in line with the Company's needs. In addition, the information technology is applied to increase business opportunities, develop operations, and manage risks so that the Company can achieve its objectives and main goals.

- 1) The Board of Directors will establish the policy on allocation and management of information technology resources, which includes the allocation of sufficient resources for business operations and the establishment of guidelines to support any events that resources cannot be allocated sufficiently as specified.
- 2) The Board of Directors will oversee the risk management of the organization, including information technology risk management.
- 3) The Board of Directors will provide policies and measures on security of information systems. The frameworks of corporate information technology governance and management are as follows;
  - (1) The Company abides by the laws, rules, regulations, and standards relating to the use of information technology.
  - (2) The Company provides the data security system for confidentiality, integrity, and availability, and also prevents any unauthorized misuse of information or modification of information.
  - (3) The Company considers information technology risks and provides measures to manage such risks in any areas, such as business continuity management, incident management, asset management, etc.
  - (4) The Company considers the allocation and management of information technology resources and establishes rules and factors to determine the priorities of the information technology plan, such as the appropriateness in line with the strategy plan, the impact on business operations, the urgency of use, the budgets and human resources in information technology, and the consistency with the business model, etc.

**Principle 6 : Supervising appropriate risk management and internal control systems**

- 6.1 The Board of Directors will supervise to ensure that the Company provides risk management and internal control systems to achieve its objectives effectively and complies with relating laws and standards.
- 1) The Board of Directors will understand the Company's significant risks and approve the acceptable risks.
  - 2) The Board of Directors will consider and approve the risk management policy, which is in line with the Company's objectives, main goals, strategies, and acceptable risks, in order to be the framework of the risk management process so that all persons in the organization can perform operation in the same direction. However, the Board of Directors will focus on the advance warning signs and ensure that the risk management policy is reviewed on a regular basis, such as once a year.
  - 3) The Board of Directors will ensure that the Company identifies risks by considering external and internal factors that may result in the Company's failure to meet its specified objectives. The main risk to which the Board will pay attention may be divided into Strategic Risk, Operational Risk, Financial Risk, and Compliance Risk, etc.
  - 4) The Board of Directors will supervise to ensure that the Company evaluates the impact and probability of the risk identified in order to prioritize the risks and provide appropriate risk management methods.
  - 5) The Board of Directors may assign the Audit Committee or the Corporate Governance and Risk Management Committee to screen the matters under Clause 1 to Clause 4 before submitting them to the Board of Directors for consideration.
  - 6) The Board of Directors will regularly monitor and evaluate the effectiveness of risk management.
  - 7) The Board of Directors is responsible for ensuring that the Company conducts its business in accordance with relating domestic and international laws and standards.
  - 8) In the event that the Company has a subsidiary or other businesses in which the Company significantly invests (e.g. having a shareholding proportion with voting rights of 20% but not more than 50%), the Board of Directors shall also apply the results of the internal control and risk management system evaluation to consider the matters under Clause 1 to Clause 7.



6.2 The Board of Directors will establish an Audit Committee that can perform its duties effectively and independently.

- 1) The Board of Directors will appoint an Audit Committee consisting of at least 3 directors. All of them must be independent directors and have qualifications and duties in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2) The Board of Directors will define the duties of the Audit Committee in writing. Its duties shall be at least the same as those specified in the charter of the Audit Committee.
- 3) The Board of Directors will supervise to ensure that the Company provides mechanisms or tools that will allow the Audit Committee to access the information necessary to perform the assigned duties, such as facilitating the Audit Committee to call relevant persons to provide information, discussing with auditors, or seeking an independent opinion from any other professional advisors to support the consideration of the Audit Committee.
- 4) The Board of Directors will assign any persons or internal audit department who perform their duties independently to be the responsible person and review the performance of the risk management and internal control systems as well as report it to the Audit Committee and disclose the review report in the annual report.
- 5) The Audit Committee will provide opinions on the adequacy of risk management and internal control systems and disclose it in the annual report.

6.3 The Board of Directors will monitor and manage potential conflicts of interest between the Company and the Management, Board of Directors, or shareholders, including prevent the undue exploitation of the Company's assets, information, and opportunities and the transactions with those who have connected relationships with the Company in an inappropriate manner.

- 1) The Board of Directors will supervise the data security system, including establish policies and practices on confidentiality, integrity, and availability as well as the management of information that may affect market sensitive information. In addition, The Board of Directors, senior executives, and employees as well as related third parties, such as legal advisors, financial advisors, to comply with the data security system.
- 2) The Board of Directors will supervise to ensure that the Company manages and monitors transactions that may have conflicts of interest and ensures that such transaction is made in compliance with the procedures and information disclosure as required by laws and for the benefits of the Company and its shareholders. Stakeholders should not be involved in decision-making.
- 3) The Board of Directors will provide the requirements for directors to report their interests before considering the Board of Directors' meeting agenda and record them in the Minutes of the Board of Directors' Meeting. The Board of Directors will supervise directors, who have significant interests in a manner that may prevent such directors from expressing independent opinions, to refrain from participating in the meeting for such agenda.

6.4 The Board of Directors will supervise the preparation of clear anti-corruption policy and practices and communicate them to all levels of the organization and any third parties in order to achieve the practical actions. The Board of Directors also supports activities that promote and foster all employees to comply with relating laws and regulations.

The Board of Directors will provide projects or guidelines for anti-corruption, including support activities that promote and foster all employees to comply with relating laws and regulations.

6.5 The Board of Directors will supervise the Company to provide a mechanism for receiving complaints and handling with cases with whistleblowing.

- 1) The Board of Directors will supervise the complaint management mechanisms and processes (recording, following up progresses, solving problems, reporting) for stakeholders and ensure that there is more than one convenient complaint channel, including the disclosure of such complaint channel on the website or in annual report.
- 2) The Board of Directors will supervise to ensure that there are clear policies and guidelines in the case of whistleblowing. The channel for whistleblowing is provided via the Company's E-mail or through the Independent Director or the Audit Committee. In addition, the process of information review, implementation, and report to the Board of Directors is also provided.
- 3) The Board of Directors will supervise to ensure that appropriate protection measures are taken place for whistleblowers with good faith.

#### **Principle 7 : Maintaining financial credibility and information disclosure**

7.1 The Board of Directors will be responsible for supervising the system of financial report preparation and disclosure of important information to be accurate, sufficient, and timely in accordance with relevant rules, standards, and practices.

- 1) The Board of Directors shall ensure that the personnel involved in the preparation and disclosure of information have knowledge, skills, and experiences that are appropriate for the duties and responsibilities and the number of personnel is sufficient. Such personnel include the Chief Executive of Accounting and Finance, accountants, internal auditors, Company Secretary, and investor relations.
- 2) To approve the disclosure of information, the Board of Directors takes into account the relevant factors. In the case of financial reports, the following factors shall be at least considered;
  - (1) Assessment of the adequacy of the internal control system
  - (2) Auditor's opinion in the financial report and the auditor's observations on the internal control system as well as the auditor's observations through communication in other channels (if any)
  - (3) Opinions of the Audit Committee
  - (4) Compliance with the Company's objectives, main goals, strategies, and policies
- 3) The Board of Directors will supervise the disclosure of information, including the financial statements, the annual report, and Form 56-1, sufficiently reflecting the financial position and operating results of the Company, and also encourage the Company to prepare the management discussion and analysis (MD&A) to support the disclosure of the financial statements quarterly. This is to allow investors to be informed and have the better understanding on the changes occurring to the Company's financial position and operating results in each quarter in addition to the numerical data in the financial statements.
- 4) In the event that the disclosure of any information relates to any particular director, such director will also ensure the correct and complete disclosure of his/her part, such as information of the shareholders in his/her group, disclosure of any information relating to Shareholders' Agreement of his/her group.

7.2 The Board of Directors will monitor the adequacy of financial liquidity and solvency.

- 1) The Board of Directors shall ensure that the Management monitor and evaluate the Company's financial position and report it to the Board of Directors on a regular basis. The Board of Directors and the Management will jointly find a solution rapidly if there is a sign indicating problems on financial liquidity and solvency.
- 2) To approve any transaction or propose opinions to the Shareholders' Meeting for approval, the Board of Directors will consider them to ensure that such transactions do not affect the continuity of the business operation. financial liquidity or solvency.

7.3 Under the situations that the Company encounters with financial difficulties or is likely to face with problems, the Board of Directors will consider matters to ensure that the Company has a plan to solve problems or other mechanisms to solve financial problems. However, it shall be under the consideration of the rights of stakeholders.

- 1) In the event that the Company is likely to be unable to repay the debts or encounters with financial problems, the Board of Directors will monitor the situations closely and ensure that the Company conducts business with due care and complies with requirements on information disclosure.
- 2) The Board of Directors will supervise to ensure that the Company determines the financial solution plan by considering the fairness of stakeholders and creditors and monitors the solution. The Management is assigned to report the status regularly.
- 3) The Board of Directors will consider the matters to ensure that any decisions to solve the Company's financial problems in any means are reasonable.

**Examples of indication signs**

- (1) Consecutive loss
- (2) Low cash flow
- (3) Incomplete financial information
- (4) Lack of proper accounting system
- (5) Lack of cash flow and budget estimates
- (6) No business plan
- (7) Increase in liabilities exceeding assets
- (8) Problems on releasing inventory and debt collection

7.4 The Board of Directors will consider and prepare the sustainability report as deemed appropriated.

- 1) The Board of Directors will consider the appropriateness of disclosure information on compliance with the laws, compliance with the Code of Conduct, anti-corruption policy, treatment of employees and stakeholders, fair treatment, respect for human rights as well as social and environmental responsibility, by taking into account the domestically or internationally recognized reporting framework. Such information may be disclosed in the annual report or may be prepared separately as deemed appropriate by the Company.
- 2) The Board of Directors will supervise the disclosure of information that is important and reflects the practices leading to the creation of sustainable value for the Company.

7.5 The Board of Directors will supervise the Management to assign a department or a person responsible for the investor relations to communicate with shareholders and other stakeholders, such as investors, analysts, appropriately, fairly, and timely.

- 1) The Board of Directors will establish the communication policy and the disclosure policy to ensure that the communication and disclosure of information to third parties is appropriate, fair, and timely, and the appropriate channels are used to protect confidential information and information affecting the price of securities. In addition, they are communicated throughout the organization for mutual understanding on the compliance with such policies.
- 2) The Board of Directors will assign the person responsible for providing information to third parties. Such person shall be qualified for the duties and understand the Company's businesses, including objectives, main goals, and values and be able to communicate with the capital market very well.
- 3) The Board of Directors will supervise to ensure that the Management determines the direction and supports investor relations operations, such as providing practices on information provision, policy on insider trading, policy on management of information affecting the price of securities, and clearly defines the duties and responsibilities of investor relations to guarantee the efficient communication and information disclosure.

7.6 The Board of Directors will support the application of information technology to disseminate information.

- 1) In addition to information dissemination according to the specified criteria and through the channels of the Stock Exchange of Thailand, the Company will also consider disclosing information in both Thai and English version through other channels, such as the Company's website, which is conducted regularly, and present updated information. However, the Company will disclose at least the following information on the Company's website;
  - (1) Vision and values of the Company
  - (2) Nature of business of the Company
  - (3) List of Directors and Executives
  - (4) Financial statements and reports on financial position and operating position in the current year and the previous year
  - (5) Form 56-1 and annual report that can be downloaded
  - (6) Information or other documents presented by the Company to analysts, fund managers, or media
  - (7) Direct and indirect shareholding structure
  - (8) Structure of Company Group and its subsidiaries
  - (9) Major shareholders directly and indirectly holding 5% of the total number of shares sold and entitled to vote
  - (10) Direct and indirect shareholding of directors, major shareholders, senior executives
  - (11) Letter of invitation to the Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders
  - (12) Articles of Association of the Company
  - (13) Company's corporate governance policy, anti-corruption policy, information technology security policy, and risk management policy
  - (14) Charter or duties, responsibilities, qualifications, tenure of the Board of Directors, including matters required an approval by the Board of Directors
  - (15) Code of Conduct
  - (16) Contact information of agencies or complaint or the person responsible for investor relations, Company Secretary, such as the name of the informant, phone number, E-mail

#### **Principle 8 : Promotion of engagement and communication with shareholders**

8.1 The Board of Directors will supervise to ensure that the shareholders are involved in making important decisions of the Company.

- 1) The Board of Directors shall supervise to ensure that important matters, issues stipulated by laws, and issues possibly affecting the direction of the Company's operations are considered and/or approved by the shareholders. Such important matters are included in the agenda of the Shareholders' Meeting.
- 2) The Board of Directors will support the participation of shareholders, for example,
  - (1) Determining the rules for minority shareholders to propose additional agenda in advance before the date of the Shareholders' Meeting; the Board of Directors will consider and include matters proposed by shareholders in the agenda. The Board of Directors must inform the reason stipulated by the Shareholders' Meeting. If the Board of Directors rejects the agenda proposed by shareholders, the Board of Directors must inform the reasons to the Shareholders' Meeting.
  - (2) Rules for minority shareholders to nominate persons to be a director; the Board of Directors shall supervise to ensure that such rules are disclosed to the shareholders in advance.
- 3) The Board of Directors shall supervise to ensure that the letter of invitation to the Shareholders' Meeting contains accurate, complete, and adequate information for shareholders to exercise the rights.



- 4) The Board of Directors shall supervise to ensure that the letter of invitation to the Shareholders' Meeting is submitted together with relating documents and published on the Company's website at least 28 days prior to the date of the meeting.
- 5) The Board of Directors will offer opportunities to shareholders to submit questions in advance prior to the date of the meeting by setting the rules for submitting questions in advance and publishing such rules on the Company's website.
- 6) The letter of invitation to the Shareholders' Meeting and relating documents will be prepared in English and published together with the Thai version.

In this regard, the letter of invitation to the Shareholders' Meeting shall contain the following information;

- (1) Date, time, and venue of Shareholders' Meeting
- (2) Agenda by specifying whether it is an agenda for acknowledgement or approval and clearly dividing matters to each agenda item, such as agenda relating to directors, election of the board of directors, and approval of directors' remuneration.
- (3) Objectives, reasons and opinions of the Board of Directors in each proposed agenda, including;
  - a. Agenda for dividend payment approval - Dividend payment policy, proposed dividend rate, and reasons and supporting information; in the case of omission of dividend payment, explain the reasons and supporting information.
  - b. Agenda for director appointment - Specifying name, age, education background, and work experiences, number of listed companies and general companies with directorship, rules and procedures for nomination, and type of nominated directors; in the event that the former director is nominated to be re-elected, the information of the meeting attendance in the previous year and the date of appointment as the Company's director shall be specified.
  - c. Agenda for approval of directors' remuneration - Policies and rules for determining the remuneration of director in each position and remuneration of directors in all forms, including the monetary form and other benefits
  - d. Agenda for auditor appointment - Names of auditors, affiliated companies, work experiences, independence of auditors, audit fee, and other service charges
- (4) Proxy Form prescribed by the Ministry of Commerce.
- (5) Other information supporting meetings, such as voting procedures, vote counting and notification of vote results, rights of each type of shares for voting, information of independent directors proposed by the Company to be the proxy of shareholders, documents required to be presented by shareholders prior to the meeting, proxy documents, and a map of the meeting venue, etc.

8.2 The Board of Directors shall supervise to ensure that the implementation on the date of the Shareholders' Meeting is conducted properly, transparently, and efficiently, and allows shareholders to exercise their rights.

- 1) The Board of Directors determines the date, time, and venue of the meeting by taking into account the convenience of shareholders attending the meeting, such as the appropriate and adequate meeting period for the discussion, meeting venue with convenient transportation, etc.
- 2) The Board of Directors shall supervise to ensure that there is no any action that limits the opportunity to attend the meeting or create an undue burden on shareholders, for example, shareholders or proxies are not required to bring more documents or proof of identity than those set forth in the guidelines of relevant supervisory authorities.
- 3) The Board of Directors will promote the application of technology to Shareholders' Meetings, including shareholder registration, vote counting, and result presentation, so that the meeting can be conducted rapidly, correctly, and accurately.
- 4) The Chairman of the Board of Directors presides over the Shareholders' Meeting who is responsible for supervising the meeting to be in accordance with laws, relating rules, and the Company's Articles of Association, appropriately allocating time for each agenda item specified in the letter of invitation to the meeting, and offering opportunities to shareholders to express their opinions and raise questions relating to the Company to the Meeting.

- 5) To allow shareholders to make important decisions, a director as an attendee and a shareholder shall not add unnecessary agenda items that are not informed in advance, especially important agenda that shareholders need time to study information before making a decision.
  - 6) Encouraging all directors and relating executives to attend the meeting so that shareholders can ask questions on relevant issues.
  - 7) Before commencing the meeting, the Company shall inform the shareholders of the number and proportion of shareholders attending the meeting in person and by proxy, methods of voting, and vote counting.
  - 8) In the event that there are several items in any agenda, the Chairman of the Meeting shall arrange a separate vote on each item, for example, shareholders exercise the right to appoint directors individually in the agenda of the appointment of directors.
  - 9) The Board of Directors shall promote the use of ballots in important agendas and encourage independent persons to count or verify the votes of the meeting and disclose the results of the approving, disapproving, and abstaining votes of each agenda to the Meeting and also record them in the minutes of the meeting.
- 8.3 The Board of Directors shall supervise to ensure that the disclosure of the resolutions of the meeting and the preparation of the minutes of the Shareholders' Meeting are accurate and complete.
- 1) The Board of Directors shall supervise to ensure that the Company discloses the resolutions of the Shareholders' Meeting with the voting results within the next business day through the Stock Exchange of Thailand's news system and on the Company's website.
  - 2) The Board of Directors shall supervise to ensure that a copy of the minutes of the Shareholders' Meeting is delivered to the Stock Exchange of Thailand within 14 days from the date of the Shareholders' Meeting.
  - 3) The Board of Directors shall supervise to ensure that at least the following matters are recorded in the minutes of the Shareholders' Meeting;
    - (1) List of directors and executives attending the meeting and the proportion of directors attending the meeting and absent from the meeting.
    - (2) Methods of voting and vote counting, resolutions of the meeting, and voting results (approve, disapprove, abstain) of each agenda
    - (3) Questions and answers at the meeting, including the name-surname of inquirers and respondents

## 2. Sub-Committee

The Board of Directors appoints four sub-committees to closely monitor and supervise operations and regularly report them to the Board of Directors, namely the Audit Committee, the Executive Committee, the Risk Management Committee, and the Nomination and Remuneration Committee. The scope of authorities, duties, and responsibilities of sub-committees are clearly defined as follows;

### 2.1 Audit Committee

As at December 31, 2020, the list of the Audit Committee consists of 3 persons as follows;

Name – Surname		Position
1. Dr. Prasert	Tapaneeyangkul	Chairman of the Audit Committee
2. Assoc. Prof. Dr. Chotchai	Charoenngam	Member of the Audit Committee
3. Mrs. Nipa	Markpradit *	Member of the Audit Committee

Remark

\* The member of the Audit Committee having knowledge and experiences in reviewing the reliability of the financial statements is Mrs. Nipa Makpradit. She graduated with a Bachelor's Degree in Business Administration in Accounting from Ramkhamhaeng University and has worked as a Chairman of the Board of Taechin-INTOUCH Accounting and Law Company Limited, which operates the accounting and legal business, and as an executive of NTC Accounting Office, which operates the business of accounting, internal audit, and accounting system setup.

Ms. Thanyathip Netanuwat is the secretary of the Audit Committee, appointed by the Audit Committee's Meeting No.1/2560 on August 29, 2017, and the Board of Directors' Meeting No. 4/2560 on August 29, 2017.

#### Scope of Authorities, Duties, and Responsibilities of the Audit Committee

The Board of Directors is aware of the importance of good corporate governance, so the Audit Committee is appointed, which consists of independent members, to audit the Company's operations and review the effectiveness of internal control to ensure that the operations of any departments are efficient, legal, and consistent with the regulation on best practices and the management of the business is appropriate and efficient and creates the highest effectiveness. The Audit Committee also conducts a review of the Company's financial reports together with the auditors to ensure that the Company's financial reports are reliable with complete and accurate disclosure in accordance with related standards and requirements in order to create confidence and credibility for investors and stakeholders and guarantee that there is an audit and corporate governance with due care, fairness, and transparency and the businesses are conducted in accordance with good corporate governance principles. As a result, the Board of Directors deems appropriate to establish the charter of the Audit Committee as follows;

#### Scope of Authorities and Duties

- 1) Reviewing the financial report to ensure its accurate and reliability as well as adequate disclosure of information by coordinating with external auditors and executives responsible for preparing quarterly and annual financial reports.
- 2) Reviewing the Company's internal control system to be appropriate and effective, suggesting the review or audit of any transactions deemed necessary and important, and presenting any important and necessary suggestions on the improvement of the internal control system to the Board of Directors by reviewing them together with external auditors and internal auditors.
- 3) Reviewing the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, policies, rules, regulations, or others laws relating to the Company.
- 4) Considering, selecting and nominating the appointment of the auditor, including proposing the remuneration of the Company's auditors to the Board of Directors.
- 5) Reviewing the Company's internal audit plan in accordance with generally accepted procedures and standards.
- 6) Considering the accurate and complete disclosure of the Company's information in the event of a connected transaction or transaction that may have a conflict of interest.
- 7) Reviewing the Company's appropriate and effective risk management system.
- 8) Reporting the performances of the Audit Committee to the Board of Directors at least 4 times a year.
- 9) Providing opinions on the appointment, removal, and evaluation of the performances of the internal audit department's officers.
- 10) To perform the duties according to the scope of duties, the Audit Committee shall have the power to invite the Management, executives, or employees of the relevant companies to express opinions, attend the meeting, or submit documents deemed relevant or necessary.
- 11) Having the authority to hire consultants or third parties in accordance with the Company's regulations to provide opinions or consultations if necessary.
- 12) Preparing the Corporate Governance Report of the Audit Committee and disclosing it in the Company's annual report, which must be signed by the Chairman of the Audit Committee.
- 13) The Audit Committee must evaluate the performances by conducting the self-assessment and report the evaluation results along with operational obstacles that may cause the performances to fail to meet the objectives of the establishment of the Audit Committee to the Board of Directors every year.
- 14) Considering, reviewing, and revising the charter of the Audit Committee.
- 15) Performing other duties assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

#### Term of Office

The term of office of the Audit Committee is as follows;

- 1) The tenure of the Audit Committee is 3 years for each term. The Audit Committee, which retires by rotation, may be re-appointed. In addition to such retirement by rotation, the Audit Committee shall vacate office in the following cases;

- A. Death
  - B. Resignment
  - C. Lack of qualifications to be a member of the Audit Committee under this Charter or in accordance with the rules of the Stock Exchange of Thailand.
  - D. Retirement from being a director of the Company.
- 2) Any member of the Audit Committee intending to resign from the position shall submit a letter of resignation with reasons to the Chairman of the Board of Directors at least 1 month in advance. It will be approved by the Board of Directors and the Company will inform the resignation and attach a copy of the resignation letter to the Stock Exchange of Thailand. In the case that the entire members of the Audit Committee vacate their positions, the Audit Committee who vacates office shall be in charge of the position to continue performing operations for the time being until the new Audit Committee takes office.
- 3) In the event that the position of the member of the Audit Committee is vacant for any reasons other than the retirement by rotation, the Board of Directors shall appoint qualified persons to be the member of the Audit Committee members within 90 days so that the number of members of the Audit Committee will reach the quantity specified by the Board of Directors. The person appointed to be a member of the Audit Committee shall retain his office only for the remaining term of office of the member of the Audit Committee whom he/she replaces.

#### Meeting

The Audit Committee's Meetings are as follows:

- 1) The Audit Committee's Meeting shall be held to consider the financial statements and report the internal audit results and other matters at least 4 times a year. The meeting with the auditors shall be also held without the attendance of the Management at least once a year or the Chairman of the Audit Committee shall summon the meeting in a special case to consider other urgent matters as deemed appropriate.
- 2) The Audit Committee having any interests in any matters shall not be entitled to vote on that matter.
- 3) The voting at the Audit Committee's Meeting shall be in accordance with a majority vote. In the case of a tie vote, the Chairman of the Meeting shall have a casting vote. However, the opinions of other members of the Audit Committee who vote for disapproval shall be presented as a controversial opinion to the Board of Directors.
- 4) The Chairman of the Audit Committee shall report the minutes of the meeting to the next Board of Directors' Meeting for acknowledgement.
- 5) The Secretary of the Audit Committee or the assigned person shall record the minutes of the meeting.

#### Reporting of the Audit Committee

- 1) The Audit Committee shall report the performances to the Board of Directors at the Board of Directors' Meeting.
  - 2) To perform the duties of the Audit Committee, if it was found or there is any doubt that there are any transactions or actions possibly affecting the Company's financial position and operating results significantly, the Audit Committee shall report such matter to the Board of Directors to perform corrective actions within the period deemed appropriate by the Audit Committee.
- A. List of conflicts of interest
  - B. Corruption or irregularities or significant deficiencies in the internal control system
  - C. Violation of any laws or requirements of the Stock Exchange of Thailand and other relevant laws



- 3) In the event that the Audit Committee reports the matter significantly affecting the Company's financial position and operating results to the Board of Directors and discusses with the Board of Directors and executives that it must be adjusted and corrected, upon reaching the mutually specified schedule, if the Audit Committee finds that there is no reasonable ground to ignore such corrective action, any member of the Audit Committee may report such findings directly to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

## 2.2 Executive Committee

As at December 31, 2020, the list of the Executive Committee consists of 8 persons as follows;

Name – Surname			ตำแหน่ง
1.	Dr. Chainarong	Na Lamphun	Chairman of the Executive Committee
2.	Mr. Suchart	Kadjinakul	Member of the Executive Committee
3.	Dr. Pornlapas	Na Lamphun	Member of the Executive Committee
4.	Ms. Nannapat	Kongrod	Member of the Executive Committee
5.	Dr. Vuthichai	Phanchet	Member of the Executive Committee
6.	Mr. Rathawit	Na Lamphun	Member of the Executive Committee
7.	Mr. Thaworn	Jidjong	Member of the Executive Committee
8.	Mr. Chumphol	Sangkhapreecha	Member of the Executive Committee

## Scope of Duties and Responsibilities of the Executive Committee

### Scope of Authorities, Duties and Responsibilities

- Supervising the management of the Company in accordance with the policies specified by the Board of Directors and reporting the performances to the Board of Directors; regarding the Executive Committee's Meeting, at least one half of all members of the Executive Committee shall attend such meeting. Regarding the voting of the Executive Committee, it must be by a majority of votes at the meeting. Such votes shall be counted at least half of the votes of all members of the Executive Committee.
- Considering the appropriate determination of authority and approval level of each executive and arranging the separation of duties that may support corruption, establishing procedures and methods for making transactions with major shareholders, directors, executives, or persons related to such persons to prevent the transfer of benefits, presenting the principles to the Board of Directors for approval, and supervising the compliance with approved principles and requirements.
- Considering the annual budget and the budget expenditure procedures in order to propose them to the Board of Directors and supervising the spending in accordance with the budget approved by the Board of Directors.
- Considering and improving the Company's business plan to be appropriate for the benefits of the Company.
- Considering and approving the investment and determining the investment budget according to the authority specified in the manual on authority.
- Considering entering into contracts binding the Company in accordance with the authority specified in the manual on authority.
- Being responsible for providing sufficiently important information of the Company to support any decisions made by the Board of Directors and shareholders and preparing reliable financial reports in accordance with good and transparent standards.
- Considering the Company's profits and losses and proposing the annual dividend payment to the Board of Directors.

- 9) Considering new business operations or dissolution of certain types of business and proposing such matter to the Board of Directors.
- 10) Supervising the procedures for operators to report incidents or unusual actions or offenses to the Board of Directors promptly; in the event that such incident has a significant impact, it must be reported to the Board of Directors for considering and taking corrective actions within a reasonable timeframe.
- 11) Performing any action to support the abovementioned operations or in accordance with the opinions of the Board of Directors or as authorized by the Board of Directors.
- 12) The presentation of any matters to the Executive Committee's Meeting on which has been voted and / or approved by the Executive Committee's Meeting shall be reported to the Board of Directors for acknowledgement at the next Board of Directors' Meeting. However, the Executive Committee will not be able to approve transactions in which they or any person may have interests or a conflict of interest in any other manners with the Company.

The delegation of authorities, duties, and responsibilities of the aforementioned Executive Committee shall not include the authority and/or sub-delegation to approve any transaction in which he/she or any sub-attorney or persons may have a conflict of interest (as defined in the Notification of the Capital Market Supervisory Board), interests, or benefits in any other manners in conflict with the Company. The approval of such transactions must be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting (as the case may be) to consider and approve them according to the Company's Articles of Association or related laws.

#### Meeting

- 1) The Executive Committee holds or summons the meeting every month or as deemed appropriate and has the authority to summon additional meetings as necessary.
- 2) All members of the Committee should attend the meeting every time, unless there is a necessity that they may not attend the meeting. In such case, they should notify the Chairman of the Executive Committee in advance.
- 3) The Chairman of the Executive Committee shall preside over the meeting. In the event that the Chairman of the Executive Committee is not present at the meeting or is unable to perform his duties, the Chairman of the Executive Committee shall assign any member of the Executive Committee to preside over the meeting.
- 4) The Secretary of the Executive Committee shall submit the letter of invitation to the meeting to the Executive Committee in advance prior to the meeting date so that the Executive Committee will have time to consider matters. Unless there is an urgent and necessary case, the meeting appointment shall be notified by other means and the date of the meeting may be scheduled to the earlier date. The Secretary of the Executive Committee shall record and keep the minutes of the meeting and prepare the register of the minutes of the meeting.
- 5) The Chairman of the Executive Committee is able to invite related persons to attend the meeting.

### 2.3 Risk Management Committee

As at December 31, 2020, the list of the Risk Management Committee consists of 5 persons as follows;

Name – Surname			Position
1.	Assoc. Prof. Dr. Chotchai	Charoenngam	Chairman of the Risk Management Committee
2.	Dr. Chainarong	Na Lamphun	Member of the Risk Management Committee
3.	Mr. Suchart	Kadjinakul	Member of the Risk Management Committee
4.	Pol. Lt. Gen. Dr. Rapheepat	Palawong	Member of the Risk Management Committee
5.	Dr. Vuthichai	Phanchet	Member of the Risk Management Committee

### Scope of Authorities, Duties and Responsibilities of the Risk Management Committee

The Company is aware of the importance of the development of risk management system as a part of the daily management system throughout the organization, which is one of the key tools based on the fundamental principles of Good Corporate Governance. The vision, mission, and goals of the organization are connected and the risk management framework is also provided according to the international approach, COSO Enterprise Risk Management Framework (COSO ERM). In addition, the Company promotes and encourages the risk management throughout the organization and fosters it as part of the Company's culture. This is to ensure that the Company's stakeholders can reasonably believe that the Company's strategic operations aim at achieving the organization's objectives and goals efficiently and effectively.

### Scope of Authorities, Duties, and Responsibilities

- 1) Formulating the Company's overall risk management policy and structure covering various types of risks, such as financial risk, investment risk, strategic risk, and risks affecting the Company's reputation, etc., and presenting it to the Board of Directors for approval in accordance with and in line with the Risk Management Guidelines of the Stock Exchange of Thailand and the Association of Internal Auditors of Thailand.
- 2) Establishing appropriate strategies and guidelines for risk management in line with the risk management policy by allowing any departments to participate in the risk management and control.
- 3) Assessing corporate risks and determining the methods of risk management to be at an acceptable risk level as well as supervising and overseeing the risk management in accordance with the specified procedures.
- 4) Reviewing and presenting the risk management policy and framework to the Executive Committee for approval.
- 5) Considering, reviewing, and approving the risk appetite and present it to the Executive Committee for acknowledgement.
- 6) Governing the corporate, development and compliance with the risk management framework and policy continuously to ensure that the Company has an effective risk management system throughout the organization and the continuous compliance.
- 7) Reviewing the risk management report to follow up significant risks and to ensure that the organization manages the risks adequately and appropriately.
- 8) Coordinating with the Audit Committee about significant risks and assigning the internal audit department to be a reviewer to ensure that the Company has an appropriate internal control system for risk management as well as the appropriate implementation of risk management systems and the compliance throughout the organization.
- 9) Regularly reporting the risk and critical risk management to the Executive Committee.
- 10) Providing advices and consultation to the Executive Committee and/or departments and/or working groups relating to risk management as well as considering appropriate guidelines for correcting information relating to the development of risk management systems.
- 11) Considering the appointment of additional or replacement personnel in the Risk Management Working Group and/or departments and/or working groups relating to risk management as deemed appropriate as well as determining the roles, duties, and responsibilities for the benefits of the implementation under objectives.
- 12) Determining the measures to be used for risk management that is suitable for circumstances.
- 13) Reviewing the risk management policy and improving its efficiency and effectiveness sufficiently for risk control.
- 14) Establishing the risk metrics and the acceptable risk ceiling.
- 15) Having the authority to call all related parties to clarify matters and assign roles to operators at all levels to manage risk as deemed appropriate and report it to the Risk Management Committee in order to achieve the objectives of the risk management.
- 16) Preparing and approving the annual Corporate Risk Management Manual.
- 17) Setting the integrated risk management system by linking information systems.
- 18) Performing any other actions relating to risk management as assigned by the Executive Committee.

The executives and/or risk management working group and/or departments and/or working groups related to risk management and/or internal auditors and/or auditors shall report or present relevant information and documents to the Executive Committee and/or the Board of Directors to support the operations of the Risk Management Working Group to meet the duties assigned.

#### Reporting

The Risk Management Committee regularly reports the risk management to the Audit Committee for reviewing and reporting it to the Executive Committee to acknowledge and present it to the Board of Directors every quarter.

#### Meeting

- 1) The Risk Management Committee holds or summons the meetings every quarter or as deemed appropriate and has the authority to summon additional meetings as necessary.
- 2) All members of the Committee should attend the meeting every time, unless there is a necessity that they may not attend the meeting. In such case, they should notify the Chairman of the Risk Management Committee in advance.
- 3) The Chairman of the Risk Management Committee shall preside over the meeting. In the event that the Chairman of the Risk Management Committee is not present at the meeting or is unable to perform his duties, the Vice Chairman of the Risk Management Committee shall preside over the meeting.
- 4) The Secretary of the Risk Management Committee shall submit the letter of invitation to the meeting to the Risk Management Committee in advance prior to the meeting date so that the Risk Management Committee will have time to consider matters or request for additional information. The letter of invitation to the meeting must include agenda details and supporting documents for the meeting. Unless there is an urgent and necessary case, the meeting appointment shall be notified by other means and the date of the meeting may be scheduled to the earlier date. The Secretary of the Risk Management Committee shall record the minutes of the meeting.
- 5) The Chairman of the Risk Management Committee is able to invite related persons to attend the meeting for clarifying any facts to the Risk Management Committee for acknowledgement.

## 2.4 Nomination and Remuneration Committee

As at December 31, 2020, the list of the Nomination and Remuneration Committee consists of 3 persons as follows;

Name – Surname		Position
1. Mrs. Nipa	Markpradit	Chairman of the Nomination and Remuneration Committee
2. Dr. Prasert	Tapaneeyangkul	Member of the Nomination and Remuneration Committee
3. Dr. Chainarong	Na Lamphun	Member of the Nomination and Remuneration Committee

#### Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Directors to be responsible for the nomination of qualified persons to serve as a director and a senior executive and also considering the forms and rules for the remuneration payment of directors and senior executives. Consequently, the Board of Directors has determined the charter of the Nomination and Remuneration Committee as follows;

#### Scope of Duties and Responsibilities

##### Nomination

- 1) Determining the methods of nomination of qualified persons to serve as a director to suit the nature and business operation of the organization by defining the required qualifications, knowledge, and expertise in each field



- 2) Nominating directors when it is time to nominate directors to the Board of Directors for consideration; regarding the nomination, the existing directors may be considered to continue holding their position or the nomination is accepted from the shareholders or outsourcing companies may be assigned to help the recruitment or persons from the list of chartered directors may be considered or each director may nominate a qualified persons, etc.
- 3) Considering the list of nominated persons and selecting qualified persons who have the qualifications in accordance with the required qualification criteria.
- 4) Ensuring that the nominated person have the qualifications in accordance with the laws and requirements of relevant agencies.
- 5) Approaching the person who has the qualifications in accordance with the specified qualifications criteria to ensure that such person is willing to serve as a director of the Company if he/she is appointed by the shareholders.
- 6) Presenting the list to the Board of Directors for consideration and including the names in the letter of invitation to the shareholders' meeting so that the Shareholders' Meeting can consider the appointment.
- 7) Considering and nominating the list and qualifications and approving the appointment of Chief Executive Officer as assigned by the Board of Directors.

#### **Consideration of Remuneration**

- 1) Considering the appropriate rules for the remuneration payment of directors and the Chief Executive Officer by reviewing the appropriateness of the applicable rules and comparing with data of remuneration payment of other companies in the same industry as the Company and setting appropriate and fair guidelines for achieving the expected performances and compensating any persons who help the Company's operations successful.
- 2) Reviewing all forms and types of remuneration payment, such as regular remuneration, remuneration based on performances, and meeting allowances, by taking into account the practices applied by the same industry, the Company's operating results and business size, and responsibility, knowledge, skill, and experiences of directors and senior executives required by the Company.
- 3) Considering the rules for performance evaluation of the Chief Executive Officer as assigned by the Board of Directors.
- 4) Determining the annual remuneration of directors and the Chief Executive Officer in accordance with the rules for remuneration payment and presenting it to the Board of Directors for approval of such remuneration; Regarding the remuneration of directors, the Board of Directors shall present it to the Shareholders' Meeting for approval.
- 5) Considering the appropriateness and approval in the event that new securities are offered for sale to directors and employees by adhering to the principles of fairness to shareholders and creating the motivation for directors and employees to perform their duties in order to create additional values for the shareholders in the long term and retain quality personnel.

### **3. Nomination and Appointment of Directors and Top Executives**

To select a person to be appointed as a director or an executive of the Company, such person shall have the full qualifications under the Section 68 of the Public Limited Companies Act, B.E. 2535 (1992) and in pursuance to the Notification of the Capital Market Supervisory Board No. 39/2559, Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares. The composition and criteria for nomination are as follows;

#### **3.1 Composition and Nomination of the Board of Directors**

##### **Election of Directors and Term of Office**

The election of the Company's directors shall be conducted by the Shareholders' Meeting in accordance with the following rules;

- 1) One shareholder shall have 1 share per 1 vote.
- 2) In the election of the Company's directors, it may be voted to elect one or more persons to be a director or directors as the Shareholders' Meeting deems appropriate. However, to cast each vote, shareholders must cast all the votes they have under Article 1.1. They cannot allot their votes to any person in any number. Therefore, shareholders cannot split their votes in the election of directors to any person according to the Section 70, Paragraph One, of the Public Limited Companies Act (non-CUMULATIVE VOTING only).
- 3) The person who receives the highest votes in the respective order are elected as directors in accordance with the number of directors intended to have or to be elected at that time; and, in the case where any persons so elected in a next lower order have equal votes such that the number of the elected persons exceeds the number of directors intended to have or to be elected at that time, then the Chairman of the Meeting shall exercise the casting vote.
- 4) The Board of Directors' tenure is 3 years in accordance with the Company's Articles of Association. At each Annual General Meeting of Shareholders, one-third (1/3) of the total number of directors shall retire by rotation. If the number of directors is not a multiple of three, then the number nearest to one-third shall vacate office. The directors who vacate office under this section may be re-elected.
- 5) In addition to vacating office at the expiration of the term of office under the Company's Articles of Association, a director shall vacate office upon;
  - A. Death
  - B. Resignation
  - C. Being disqualified or being under any of the prohibited characteristics under the law on public companies or the law on securities and exchange.
  - D. Being removed by a resolution of the Shareholders' Meeting prior to the expiration of the term of office by the votes of not less than three-fourths (3/4) of the number of the shareholders attending the meeting and entitled to vote and having shares in aggregate no less than half of the shares held by the shareholders attending the meeting and entitled to vote.
  - E. Being removed by an order of the Court.
- 6) Any director intending to resign from the position shall submit a letter of resignation to the Company. The resignation takes effect from the date on which the letter of resignation reaches the Company. Directors who resign under the provisions of the first paragraph may also inform the registrar of their resignation.
- 7) In the case where the office of a director becomes vacant by any reason other than the expiration of the term of office, the Board of Directors shall elect a person possessing the qualifications and not being subject to the prohibited characteristics under the law on public companies or the law on securities and exchange as a replacing director at the next Board of Directors' Meeting, unless the remaining term of office of such director is less than two months. The aforesaid replacing director shall retain his office only for the remaining term of office of the director whom he/she replaces. The resolution of the Board of Directors under Paragraph One must consist of the votes of not less than three-fourths (3/4) of the number of the remaining directors.

### 3.2 Composition and Nomination of the Audit Committee

The Audit Committee of the Company shall have the following compositions;

- 1) The Audit Committee consists of at least 3 independent directors.
- 2) The Audit Committee has the appropriate skills and expertise in accordance with the assigned missions. At least one member of the Audit Committee shall have knowledge or experiences in accounting or finance.
- 3) The Board of Directors shall elect and appoint one member of the Audit Committee to be the Chairman of the Audit Committee.

### 3.3 Qualifications of the Audit Committee

The Audit Committee of the Company must be appointed by the Board of Directors and approved by the Company's shareholders to be a director of the Company and have qualifications according to the law on securities and exchange, including notifications, regulations, and/or rules prescribed by the Stock Exchange of Thailand. The number of the Audit Committee shall consist of at least 3 persons. At least one member of the Audit Committee shall have knowledge in accounting or finance. The tenure of the Audit Committee is 3 years for each term from the date of appointment. Upon the completion of the term, If the Board of Directors or the Shareholders' Meeting has no resolution to appoint a new Audit Committee, the existing Audit Committee shall continue performing its duties for the time being until the Board of Directors or the Shareholders' Meeting appoints the new Audit Committee to replace the existing Audit Committee and/or in accordance with the term of office of the directors. The nominated Audit Committee must be an independent director and have qualifications of the Audit Committee in accordance with the rules and notifications prescribed by the Office of the SEC and the Stock Exchange of Thailand as follows;

#### Qualifications of Independent Directors

- 1) Holding shares not more than 1% of the total voting shares of the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, including the shareholding of related parties of such independent director.
- 2) Not being or having been a director who was involved in the administration, workers, employees, advisors who receive regular salaries, or controlling persons of the Company, its parent company, subsidiaries, associated companies, subsidiaries in the same level, major shareholders, or controlling persons of the Company, under he/she has been discharged from the aforementioned characteristics for at least 2 years prior to the date of submission of the application for permission to the Office of the Securities and Exchange Commission; such prohibited characteristics shall not include the case where the independent director was a government official or an advisor of a government agency, who is a major shareholder or a controlling person of the Company.
- 3) Not being a person with a blood relationship or legal registration in the manner of a parent, spouse, siblings, and children, including the spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as an executive or a controlling person of the Company or its subsidiaries.
- 4) Not having or never had a business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may impede the use of its independent discretion, including not being or never been a significant shareholder or a controlling person of a person having a business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, unless he/she has been discharged from the aforementioned characteristics for at least 2 years prior to the date of submission of the application for permission to the Office of the Securities and Exchange Commission.
- 5) Not being or never been an auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, and not being a significant shareholder, a controlling person, or a partner of the audit office for which the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company works, unless he/she has been discharged from the aforementioned characteristics for at least 2 years prior to the date of submission of the application for permission to the Office of the Securities and Exchange Commission.
- 6) Not being or never been a professional service provider, including a legal advisor or a financial advisor which receives service fees of exceeding 2 million Baht per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, and not being a significant shareholder, a controlling person, or a partner of the professional service provider, unless he/she has been discharged from the aforementioned characteristics for at least 2 years prior to the date of submission of the application for permission to the Office of the Securities and Exchange Commission.
- 7) Not being a director appointed to represent the Company's directors, major shareholders, or shareholders related to major shareholders.

- 8) Not conducting business of the same nature as the Company or its subsidiaries and being a significant competition with the Company or its subsidiaries or not being a significant partner in partnerships or being a director involved in the administration, workers, employees, advisors who receive regular salaries or holding share more than 1% of the number of shares with voting rights of other companies, which operate businesses in the same nature and are a significant competitor with the Company or its subsidiaries.
- 9) Independent directors have held the position for not more than 9 consecutive years from the date of the first appointment. In the case where it is necessary to appoint such independent director to continue holding the position, the Board of Directors must reasonably consider such necessity.
- 10) There is no other manners that prevents them from giving independent opinions on the Company's operations.
- 11) Independent directors under the above qualifications may be assigned by the Board of Directors to make decisions on the operations of the Company, parent company, subsidiaries, associated companies, subsidiaries in the same level, major shareholders, or controlling persons by using the collective decisions.

#### **Qualifications of the Audit Committee**

The Audit Committee must have the same qualifications as the qualifications of the independent directors and additional qualifications as follows;

- 1) Not being a director assigned by the Board of Directors to make decisions on the operation of the Company, parent company, subsidiaries, associated companies, subsidiaries in the same level, major shareholders, or controlling persons of the Company.
- 2) Not being a director of the parent company, subsidiaries, or subsidiaries in the same level, only listed companies.
- 3) Having sufficient knowledge and experiences to act as a member of the Audit Committee; however, at least one member of the Audit Committee shall have sufficient knowledge and experience to be able to review the reliability of the financial statements.
- 4) Having the same duties as those proscribed in the Notification of the Stock Exchange of Thailand on the qualifications and scope of operation of the Audit Committee.

### **3.4 Composition and Nomination of the Executive Committee**

The Executive Committee is appointed by the Board of Directors. The total number of the Executive Committee shall not be less than 5 persons, consisting of executive directors and employees at the executive level. The Board of Directors will appoint a member of the Executive Director to be the Chairman of the Executive Committee.

### **3.5 Composition and Nomination of the Nomination and Remuneration Committee**

#### **Composition of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee must be appointed by the Board of Directors. The total number the Nomination and Remuneration Committee shall not be less than 3 persons and should consist of most independent directors and non-executive directors. The Board of Directors will appoint an independent director who is the member of the Executive Director to be the Chairman of the Nomination and Remuneration Committee.

#### **Qualifications of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is appointed by the Board of Directors. They must have knowledge, experiences, and expertise in the Company's business, laws, and other areas. They must have maturity and independence and are able to devote their time to perform duties.

### **3.6 Composition and Nomination of the Risk Management Committee**

The Risk Management Committee is appointed by the Board of Directors and consists of executives from various fields and/or knowledgeable professionals. The Board of Directors considers the qualifications that will create benefits to the management. The number of its member shall be as deemed appropriate by the Board of Directors. The Board of Directors will appoint a member of the Risk Management Committee to be the Chairman of the Risk Management Committee.

### 3.7 Composition and Nomination of the Chief Executive Officer

The Chief Executive Officer shall be appointed by the nomination of the Executive Committee, which must be selected from the list of the Executive Committee at the time of the selection. The list shall be presented to the Board of Directors for approving and appointing the nominated person to be the Chief Executive Officer.

## 4. Corporate Governance of Subsidiaries and Associated Companies

As at December 31, 2020, the Company did not have any investment in subsidiaries or associated companies. As a result, there was no policy to supervise the operations of subsidiaries and associated companies.

However, the Board of Directors establishes the mechanism for supervising subsidiaries or associated companies that may occur in the future in order to maintain the benefits of the Company's investment by dispatching persons to be a representative of the Company to act as a director, an executive, and a controlling person in subsidiaries or associated companies. In addition, the Company also defines the scope of authority, duties, and responsibilities to be used as the clear guidelines for management, including determines the governance mechanism through the disclosure of financial reports and related transactions between such subsidiaries or associated companies. The company has adopted rules relating to disclosure of information and transactions in accordance with the rules and regulations of relevant agencies. In addition, there is a strict and comprehensive assessment and audit through the adequate and appropriate internal control system so that the business operations of the subsidiaries can provide the highest benefit to the Company.

## 5. Supervision of Insider Trading

The Board of Directors' Meeting No. 1/2563 (the first meeting after the conversion) on April 30, 2020 passed the resolution relating to the regulations of the Company's insider trading that has not been disclosed for the benefit of oneself or other parties. The Company establishes the following requirements:

- 1) Director, executives, employees, and workers of the Company must perform the following actions;
  - a) Maintaining the confidentiality and/or internal information of the Company.
  - b) Not disclosing or exploiting confidential and/or internal information of the Company for their own benefits or for benefits of any other persons, directly or indirectly, and whether receiving compensation.
  - c) Not trading, transferring or receiving the transfer of the Company's securities by using the Company's confidential information and/or internal information and/or entering into any other legal acts by using the Company's confidential information and/or inside information which may cause damages to the Company, directly or indirectly.

The directors, executives, employees, and workers of the Company, which are in the department that receives the Company's internal information, should avoid or refrain from trading the Company's securities for a period of 1 month before the disclosure of financial statements to the public. Such requirements include the spouse and minor children of the directors. Executives, and employees of the Company. If anyone violates such regulations, it is considered a serious offence.

- 2) Directors and executives of the Company, including the Company's auditors shall report the changes in the holding of securities in their own company, including spouse and minor children, to the Office of the Securities and Exchange Commission in accordance with the Section 59 of the Securities and Exchange Act B.E. 2535 and acknowledge the penalties under the Securities and Exchange Act B.E. 2535. However, directors and executives shall submit a copy of such report to the Company on the same day as it is reported to the SEC, which is required to notify within 3 working days from the date of trading, transfer or acceptance of transfer of securities.



- 3) The Company has announced such regulations to the directors, executives, employees and workers.

## 6. Audit Fee

The Company paid the audit fee for the financial statements for the fiscal year 2017-2020 to the auditors from PricewaterhouseCoopers ABAS Company Limited, who are an auditor approved by the Office of the Securities and Exchange Commission. The details of the audit fees are as follows;

### 1) Audit Fee

(Unit : Baht)

Audit Fee	Year 2017	Year 2018	Year 2019	Year 2020
1. Annual Audit Fee	1,220,000	1,500,000	1,540,000	1,560,000
2. Quarterly Financial Statement Review Fee	780,000	900,000	960,000	990,000
<b>Total</b>	<b>2,000,000</b>	<b>2,400,000</b>	<b>2,500,000</b>	<b>2,550,000</b>

### 2) Non-Audit Fee

(Unit : Baht)

Non-Audit Fee	Year 2017	Year 2018	Year 2019	Year 2020
Working Paper and Prospectus Review Fee	-	-	-	1,700,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,700,000</b>



## CORPORATE SOCIAL RESPONSIBILITY

The Company operates its business by adhering to and paying attention to its duties and responsibilities for the society and stakeholders, including shareholders, customers, business partners, employees, community and surrounding society, in order to create business commitment. The Company is also committed to conducting business as a role model for society based on the ethical principles and good corporate governance principles to create benefits to the society, environment and sustainable development. The Company therefore establishes the policy on Good Corporate Governance and Code of Conduct by preparing a manual of code of conduct and formulating important policies in many areas, identifying practices that are developed to be suitable for economic and social changes in order to operate the Company's business in accordance with the corporate social responsibility guidelines stipulated by the Stock Exchange of Thailand.

### 1. Overview of Policy

The Company is aware of social responsibility. The Board of Directors Meeting No. 3/2020 (after the conversion to a public company limited) on August 14, 2020, passed the resolution to approve the Code of Business Ethics, Code of Conduct, and important policies to be the guidelines for performance of duties of directors and executives and to be in line with the Code of Best Practice for directors, executives and employees. Important policies and practices can be summarized as follows;

- Policy on good corporate governance to create transparency in the operations of the Company at all levels and appropriate benefits for shareholders by taking into account all stakeholders
- Policy on internal control and internal audit The Company is aware of the importance of internal control systems at the management and operational levels. To achieve efficiency in operations, the Company clearly determines the duties and authority of operators and executives in writing, supervises the use of the Company's assets for the benefit, and separates duties of operators and monitoring and evaluating persons. This includes the data storage and the preparation of accurate and reliable financial statements, financial control,

operation, and operational supervision to be in accordance with the relevant laws and regulations. The efficiency is reviewed and inspected regularly and systematically. External experts are employed to inspect the internal control system and report the results directly to the Audit Committee to ensure that the internal control system is effective in accordance with the specified objectives.

- Policy on Risk Management The Company establishes a clear and measurable business goal. The Management will regularly compare the actual performance with the specified goals. The internal and external risk factors are assessed and the causative factors are also analyzed to determine measures for monitoring circumstances causing risk factors and measures for risk mitigation. In addition, relevant departments are assigned to monitor such risk regularly and report the progress to supervisors.





- **Policy on Information Disclosure** The Company is aware of the importance of the disclosure of accurate, complete and transparent information, including financial reports and general information, in accordance with the regulations of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand. The Board of Directors is responsible for disclosing information completely, sufficiently, reliably, and timely to the Company's shareholders to receive information equally. Information must be prepared carefully, clearly, concisely, and transparently which is easy to understand. It must be disclosed regularly in both positive and negative aspects. It should not cause information confusion. Furthermore, the public relations department is established for providing useful information to shareholders, investors, and related persons of the Company.
- **Policy on Accounting and Finance** The company pays attention to the preparation of accounting and financial reports which must be correct, reasonable, and complete based on facts in a timely manner in order to propose them to executives, shareholders, government agencies, and other related persons. As a result, to record all business transactions of the Company must be correct, complete, and traceable without any restrictions or exceptions to the actual recording according to accepted accounting standards and relevant laws. There are complete and appropriate evidence and documents supporting the recording of business transactions. All types of accounting and financial transactions of the Company must be accurate and clear with sufficient material information. Important information must be disclosed appropriately according to the generally accepted standards and the Company's regulations on finance and accounting. The Company therefore requires personnel at all levels to strictly follow procedures and processes relating to accounting and financial system and internal control system, including the accounting and financial requirements of the Company and generally accepted accounting principles.

- Policy on Legal Compliance Personnel at all levels must comply with the rules and requirements according to the relevant domestic and/or international laws. Prior to performing any work that may have legal requirements, it must be carefully reviewed and inspected by the responsible person to ensure that it is complied with the relevant laws.
- Policy on Information Technology The Company has the policy to allow employees and related operators to efficiently use the information technology system, including the data communication network, software system used in the operation and data processing, computer with peripherals, files, and company information, which is not against relevant laws or acts, with adequate safety standards. It must prevent external access or identity theft. There are measures to control and protect the information technology system to be stable and monitor each personnel to strictly comply with such policy for the benefit and effectiveness of the Company's businesses.
- Anti-corruption Policy The Company is committed to operating the business according to good corporate governance which is responsible for society and all stakeholders. The Company realizes that corruption is an improper and unfair act for business operations that will cause damages to the Company and society. Therefore, to ensure that the Company has the intention to prevent and reduce the chance of corruption, the Company establishes the anti-corruption policy to encourage personnel and related persons to apply it as a guideline for the prevention of corruption. All directors, executives and employees must strictly abide by the policy.

## 2. Implementation and Report Preparation

The Company defines the social, environmental and stakeholder responsibilities under the Company's policies, announcements and operating manuals. The details are as follows;

### 1) Fair Business Operation

The Company establishes guidelines for the treatment of stakeholders in the manual on code of conduct by considering the responsibility to stakeholders, including shareholders, employees, customers, business partners, contractual parties, communities, society, and



environment. In addition, the Company also avoids any action that may cause conflicts of interest, infringement of intellectual property, and all kinds of corruption. However, the growth of the Company will go along with the improvement of the quality of life of employees, community, and society. The Company establishes the practices as follows;

- (1) Conducting business with honesty and integrity and operating business with social responsibility in terms of laws and ethics and commitment to doing good deeds for individuals, communities, society, and the environment.
- (2) Treating customers fairly in terms of products and services without discrimination.
- (3) Operating businesses by providing the operating system with standard and good control by fully applying knowledge and abilities with due care, adequate information, and reference evidence, including strictly complying with relevant requirements.
- (4) Not disclosing customer information that he/she has acknowledged due to business operations which such information would normally be reserved and not disclosed in accordance with the laws.





the ethical standards used by the Company in business operations. The Company also monitors the compliance with such ethics seriously. The relevant guidelines can be summarized as follows;

- (5) Disclosing information to allow customers to complain about incomplete products and services.
- (6) Disclosing correct and complete news and information of products and services.
- (7) Complying with the terms and conditions with customers fairly; If the Company fails to comply with the terms or conditions, the Company must immediately notify customers to mutually find a solution.
- (1) Not offering or receiving any form of bribe, either in person or assigning others to act on their behalf.
- (2) Offer or receipt of gifts, entertainment, and other benefits from customers, business partners or other related persons must be complied with the Code of Conduct of the Company.
- (3) Charitable donation, public benefits, and subsidies must be transparent, legitimate, and not against morality, and do not cause any damages to the public. The procedure for approving items for donation specified by the Company must be complied with.
- (4) The Company is committed to creating and maintaining an organizational culture emphasizing that the corruption is unacceptable in making transactions with the public and private sectors.
- (5) The Company treats employees fairly and protects those who refuse corruption or make a whistleblowing report about corruption relating to the Company. There will be no penalties or negative consequences to employees who refuse corruption although such action may cause the Company to lose business opportunities.
- (6) This anti-corruption policy covers human resource management processes from the selection of personnel, promotion, training to the performance evaluation of employees. The supervisors at all levels are required to communicate with and understand their employees so that they can comply with the policy effectively.

## 2) Anti-Corruption

The Company adheres to the business operation according to the good corporate governance principles and is responsible for society and all stakeholders. The Company realizes that corruption is an improper and unfair act for business operations that will cause damages to the Company and society. Therefore, to ensure that the Company has the intention to prevent and reduce the chance of corruption, the Company establishes the anti-corruption policy which prohibits all kinds of corruption that are actions of directors, executives, and employees of the Company. The Company prepared the written policy which was approved by the resolution of the Board of Directors' Meeting No. 2/2560 on April 19, 2017. This policy includes the anti-corruption so that all directors, executives, and employees will understand

## 3) Respect for Human Rights

The Company operates its business with the respect for human rights, promotes and protects the rights and freedom, as well as treats each other equally. This is the foundation of human resource management and development. However, the Company does not have a policy that discriminates against persons with different races and nationalities, women, children, and people with disabilities.



#### 4) Labor Equitable Treatment

The Company is aware of the importance of the human resource development and the labor equitable treatment, which are the factor that will add value to the business and strengthen the Company's competitiveness and sustainable growth in the future. The Company establishes policies and guidelines for treatment of employees. Executives are required to treat employees fairly, manage operations without prejudice, support and encourage the competence in progress, increase employees' performances, create motivation for work, fully and continuously develop the work efficiency of employees, including pay attention to appropriate welfares of employees, treat employees with sincerity, and listen to their opinions and suggestions reasonably. In addition, the Company provides a channel to receive suggestions or complaints from employees. There are fair procedures and processes for receiving complaints.

#### 5) Responsibility to Consumers (Customers)

The Company aims to improve the quality of service and treats customers fairly. Executives and employees of the Company are required to strictly treat customers in accordance with the specified Code of Business Ethics, pay attention to and be responsible for customers in terms of product quality and good and standard services. Customer data is kept confidential. The Company does not disclose customer information that it has acknowledged due to business operations, unless it is the disclosure under the legal duty. In addition, the Company will also comply with provisions of contracts as well as any terms with customers fairly and pay attention to the fair and equitable pricing under the Company's pricing policy.

#### 6) Environmental Protection

The Company is aware of the importance of social responsibility in all aspects, especially the potential

impact on the environment due to the Company's business operation. In addition, the Company also fosters good awareness for employees and creates an organizational culture by raising the awareness of employees to love and protect natural resources and environment of communities and the nation. This includes the organization of activities or the support of activity organization of stakeholders, which are activities for public benefits and social service on a continuous basis.

#### 7) Participation in Community and Social Development

The Company has a policy to support activities for the public benefit of the community and develop the community and social environment to promote the livelihood in communities near to the Company's offices and other communities in which the Company has operated its business operations.

#### 8) Innovation and Dissemination of Innovations Derived from Operations with Social, Environmental, and Stakeholder Responsibility.

The Company will promote innovation in various aspect, especially innovation in work processes at the levels of internal organization and cooperation between organizations. The Company focuses on creative innovations which cause positive changes in order to create productivity and add values. However, to create the highest benefit for the society, the Company establishes the policy that the dissemination of innovation is one of the social responsibilities. The innovations will be communicated and disseminated to the stakeholders, directly and indirectly, through various channels to ensure that these innovation news and information is thoroughly conveyed to all stakeholders.





### 3. Activities for Benefits of Society and Environment

The Company is determined, committed to, and dedicated to creating the organization with social responsibility. Such operation has been carried out continuously in order to improve the quality of life of the community, develop individual potential, and share educational opportunities with the society. The Company has organized projects and activities to develop communities, society and environment. The examples are as follows;



#### Activities of Offering Scholarships for Supporting Quality of Life Development

The Company participated in the project of improvement of student's quality of life at disadvantaged schools, such as Ban Pa Lao School in Mae Tha District, Ban Long Khrua Kwao School in Wiang Nong Long District, Ban Srisuphan School in Muang District, and Wat San Ton Thong School in Mueang District, Lamphun Province.



#### Project of Offering Subsidies to Hospitals

The Company contributed medical funds by offering subsidies to Thanyaburi Hospital, Thanyaburi District, Pathum Thani Province.



### Project of Providing Assistance and Restoration to Schools Affected by Flood in Ubon Ratchathani Province

The Company participated in the project of providing assistance and restoration to schools affected by flood with the collaboration of the Air Force and the private sector by supporting and offering cleaning equipment to staffs visiting the affected areas for providing assistance and restoring schools affected by flood at Ban Don Talee School and Ban Panchad School in Tan Sum District and Ban Kut Kuo School in Don Moddaeng District, Ubon Ratchathani Province.



### Project of Sharing to Half Way Home for Women Foundation

The Company donated second-hand clothes in good condition, wound cleansing equipment, milk formula, and subsidies to Half Way Home for Women Foundation, Thanyaburi District, Pathum Thani Province.



### Project of "Two Hands and One Heart of Environmental Conservationist to Return Life to Nature"

It was an activity in which the executives and employees of the Company plant mangrove forests and release marine fish in order to restore the ecosystem and increase green areas. The Company also provided financial support to the Sirindhorn International Environmental Park at the Rama VI Camp, Cha-am District, Phetchaburi Province.





### "2020 National Children's Day Promotion" Activity

The Company promoted the National Children's Day activities at Wat Nopparat School, Pathum Thani Province, by donating subsidies to improve the preschool building and also supporting equipment, stationery, rice, dry food, necessary appliances, and prizes at the 2020 National Children's Day event.



### Project of "Enhancement of Opportunities and Quality of Life of Students in the Region"

The Company participated in the Project of Enhancement of Opportunities and Quality of Life of Students in the Region, Year 4, of the Office of Air Chief Marshal Prajin Juntong, the Senator. The objectives were to develop the school's suitable infrastructure with good nutrition, strengthen health and hygiene, and improve academy by developing electronic systems for education and focusing on the creation of good environment and atmosphere for the lifestyle of students and teachers in the school.



### Project of Donating Subsidies to Hospitals for Providing Assistance and Preventing Coronavirus 2019 (COVID-19) Outbreak

The Company donated funds to Rajavithi Hospital and Chulalongkorn Hospital, Thai Red Cross Society, to contribute funds for purchasing medical devices in order to provide assistance and prevent the Coronavirus 2019 (COVID-19) outbreak.



## INTERNAL CONTROL AND RISK MANAGEMENT

### 1. Summary of Opinions of the Board of Directors on the Company's Internal Control System

The Company is aware of the importance of the internal control system management in order to achieve efficiency and effectiveness in the Company's operations. At the Board of Directors' Meeting No. 2/2021 on February 25, 2021, all directors (including 3 Audit Committee members) attended the meeting. The Board of Directors assessed the sufficiency of the Company's internal control system in 5 components: 1) control environment, 2) risk assessment and management system, 3) management control activities and business cycle control activities of important work systems, 4) information and communication in the organization, and 5) monitoring and evaluation of internal control. The form of the internal control system sufficiency assessment was prepared by the Board of Directors and passed the resolution from the Board of Directors' Meeting. The Audit Committee and the Board of Directors were of the opinion that the Company's internal control system was sufficient and suitable for the business operations of the Company.

Regarding the implementation of internal control systems, the Company also allows the Audit Committee to review the internal control system and the operating system of the Company by coordinating with the external auditors, internal auditors, and executives in the matters regarding the review of adequate and reliable disclosure of financial reports so that the Company's operations are in accordance with the law on securities and stock exchange, the Stock Exchange's requirements, rules, regulations, notifications, and laws relating to the Company's business operations. Report on the operation of the Audit Committee for the year 2020 was prepared and presented to the Board of Directors and reported in the annual report of the Company. Such report was signed by the Chairman of the Audit Committee.

The Company has employed Honor Audit and Advisory Company Limited (outsourced) since April, 2018, to perform the internal audit and the assessment of the internal control system adequacy (Overview Audit) and continuously monitor the performances under the Company's internal control system. This is to ensure that the Company has an efficient and effective internal control system, which will result in the smooth and effective performances of employees and the organization in accordance with the action plan and the goals set by the Management, causing benefits in management, including the reliable financial reports. The Company's internal auditors will present relevant reports to the Audit Committee and the Company's executives so that they can apply them to the good corporate governance for the best benefits.



## 2. Internal Auditors

In 2020, the Company appointed Honor Audit and Advisory Company Limited (outsourced) to perform the audit of the internal control system, evaluate, and review the adequacy of the Company's internal control system. The internal auditors will present the internal audit report to the Audit Committee's Meeting, including prepare the annual internal audit plan to propose it to the Audit Committee's Meeting for considering and approving the plans for monitoring and reviewing the accuracy and completeness of operations in accordance with the objectives and goals of the Company. Honor Audit and Advisory Company Limited assigned Miss Piyamas Ruengsangrob to be the supervisor of the internal auditor. The Audit Committee agreed that such internal audit supervisor had qualifications, experiences in internal audit operations, and trainings appropriate to the performance of duties and had no relationship with the Company, executives, major shareholders, or those related to such persons in a manner that will have an impact on their independent performance of duties. The profile of the internal audit supervisor are detailed as follows;

### Profile of Internal Audit Supervisor:

Miss Piyamas Ruengsangrob, aged 41 years

#### Education Background

- Master of Accounting in Financial Accounting and Assurance, Thammasat University
- Bachelor of Business Administration in Accounting, Rajamangala Institute of Technology, Bophitphimuk Chakkrawat Campus
- Bachelor of Arts in Mass Communication, Ramkhamhaeng University
- Graduate Diploma in Auditing, Chulalongkorn University

#### Training Background

- Certified Public Accountant of Thailand, Internal Audit Certificate, Class 7, Federation of Accounting Professions
- Certificate from the Federation of Accounting Professions, "Preparation to Visit Auditing Office for Quality Certification under ISQC1 Standard, Class 3" Program
- Certificate from the Investor Club Association, "Practical Knowledge for Promoted Investors" Program
- Certificate of Tax Laws, Thammasat University, "Customs Tax, Excise Tax and Stamp Duty" Program, "Value Added Tax and Specific Business Tax" Program, "Corporate Income Tax", Program, "Personal Income Tax" Program, and "International Tax" Program

#### Work Experiences

- Year 2010 - Present : Managing Director of Honor Audit and Advisory Company Limited
- Year 2019 - 2020 : Special Lecturer, Bangkok University
- Year 2019 : Special Lecturer, Thammasat University, and Special Lecture, Burapha University
- Year 2012 - 2014 : Special Lecture, Burapha University
- Year 2000 - 2010 : Audit Manager, AMC Office Company Limited

Shareholding Proportion in Company : None

Relationship with Executives : None

## RELATED PARTY TRANSACTION

### 1. Nature of Relationship

The Company made transactions with persons who may have conflicts of interest. Such connected transactions were made directors and/or executives and/or major shareholders and related companies where a person with conflicts of interest is a director and/or executive and/or major shareholder of the Company incurred in the fiscal year of 2019 - 2020. The details were as follows;

Companies/persons possibly having conflicts	Nature of Relationship	Connected Transaction (Yes = / ✓ None = / x / Not Regarded as a Connected Transaction = - )	
		Year 2019 For the year ended December 31, 2019	Year 2020 For the year ended December 31, 2020
<b>1. Dr. Chainarong Na Lamphun</b>	<ul style="list-style-type: none"> <li>- Director, Authorized Director, Chairman of the Executive Committee, Member of the Risk Management Committee, Member of the Nomination and Remuneration Committee, and Chief Executive Officer</li> <li>- Shareholders of the Company with the shareholding proportion of 29.41% of the paid-up registered capital</li> </ul>	✓	✓
<b>2. Dr. Pornlapas Na Lamphun</b>	<ul style="list-style-type: none"> <li>- Director, Authorized Director, Executive Director, and Vice Chief Executive Officer of Management Division</li> <li>- Shareholders of the Company with the shareholding proportion of 9.50% of the paid-up registered capital</li> </ul>	✓	✓
<b>3. Ms. Nannapat Kongrod</b>	<ul style="list-style-type: none"> <li>- Director, Authorized Director, Executive Director, and Assistant Chief Executive Officer of Accounting and Finance Department</li> <li>- Shareholders of the Company with the shareholding proportion of 1.49% of the paid-up registered capital</li> </ul>	✓	✓
<b>4. Dr. Vuthichai Phanchet</b>	<ul style="list-style-type: none"> <li>- Director, Authorized Director, Member of the Risk Management Committee, and Assistant Chief Executive Officer of Large Projects and Information Technology Department</li> <li>- Shareholders of the Company with the shareholding proportion of 1.04% of the paid-up registered capital</li> </ul>	✓	✓
<b>5. Dr. Phannachet Na Lamphun</b>	<ul style="list-style-type: none"> <li>- Son of Dr. Chainarong Na Lamphun and the elder brother of Dr. Pornlapas Na Lamphun and Mr. Rathawit Na Lamphun</li> <li>- Advisor to the Company's Executive Committee of Information Technology (from 2005 to present)</li> <li>- Shareholders of the Company with the shareholding proportion of 5.05% of the paid-up registered capital</li> </ul>	✓	✓
<b>6. Mr. Surin Sony</b>	<ul style="list-style-type: none"> <li>- Spouse of Dr. Pornlapas Na Lamphun</li> <li>- He was the Company's financial advisor (from 2016 to 2019).</li> <li>- Investor relations of the Company (from January 2, 2020 - present)</li> </ul>	✓	-

Companies/persons possibly having conflicts	Nature of Relationship	Connected Transaction (Yes = / ✓ None = / x / Not Regarded as a Connected Transaction = - )	
		Year 2019 For the year ended December 31, 2019	Year 2020 For the year ended December 31, 2020
<b>7. PSK Consultants Company Limited</b> <b>Engaging in the business of consultation and advices on administrative issues</b> Registered/paid-up capital is 10.00 million Baht. There are 3 directors, namely, 1) Mr. Patpong Ruesi 2) Mr. Sutthipan Thanesworn 3) Mr. Chumchok Nantawichit There are 5 shareholders, namely, 4) Mrs. Jiraporn Thaiwes 5) Mr. Chumchok Nantawichit 6) Mr. Patpong Ruesi 7) Mr. Sutthipan Thanesworn 8) Mr. Boonchuay Thongkham	<ul style="list-style-type: none"> <li>- Dr. Keerati Kitmanawat had been the Company's business development consultant from February, 2019 to May, 2020.</li> <li>- Dr. Keerati Kitmanawat had been the director of the Company during March, 2014 – December, 2016 and the Company's Assistant Chief Executive Officer of Business Development Department during 2012 – February, 2019. He had also been the Company's shareholder holding 5.50% of shares during March, 2013 – September, 2020.</li> <li>- Dr. Keerati Kitmanawat was the former executive of PSK Consultants Company Limited.</li> </ul>	- (Not regarded as connected transactions from Quarter 2 of the year 2019 onwards)	-
<b>8. Decade Consultant Company Limited</b> <b>Engaging in the business of consultation (architecture) and construction</b> Registered/paid-up capital is 5.00 million Baht. There are 3 directors, namely, 1) Mr. Tossapol Waenkaew 2) Mr. Bandit Saiwilai 3) Mr. Supattanakit Naksawate There are 7 shareholders, namely, 4) Mr. Bundit Saiwilai 5) Mr. Tossapol Waenkaew 6) Ms. Rangsima Chunhasawatdikul 7) Ms. Chalitorn Chunoon 8) Ms. Charinee Tipsathansombat 9) Mr. Thanis Somjetnaphan 10) Ms. Sasitorn Rakngam	<ul style="list-style-type: none"> <li>- Mr. Thawat Benjapolchai had been the shareholder of the Company with the shareholding proportion of 1.04% of the paid-up registered capital and the engineering consultant of the Company from March, 2019 to May, 2020.</li> <li>- Mr. Thawat Benjapolchai had been the director of the Company during February, 2015 and March, 2019 and the executive of the Company (Assistant Chief Executive Officer of Engineering Department), the member of the Executive Committee, and the member of the Risk Management Committee. He resigned on March 20, 2019.</li> <li>- Mr. Thawat Benjapolchai was the director and shareholder of Decade Consultant Company Limited.</li> </ul>	- (Not regarded as connected transactions from Quarter 2 of the year 2019 onwards)	-

## 2. Connected Transactions

The Company made transactions with persons who may have conflicts of interest. Such connected transactions were made directors and/or executives and/or major shareholders and related companies where a person with conflicts of interest is a director and/or executive and/or major shareholder of the Company incurred in the fiscal year of 2019 - 2020. The details were as follows;

Persons Possibly Having Conflicts	Nature of Connected Transaction	Value of Connected Transaction (Million Baht)		Necessity and Rationale
		Year 2019 For the year ended December 31, 2019	Year 2020 For the year ended December 31, 2020	
1. Dr. Chainarong Na Lamphun	<b>Guarantee for the letter of guarantee and loan limit with financial institutions for the Company</b> - Dr. Chainarong Na Lamphun guaranteed the loans with domestic financial institutions for the Company with the total guarantee limit of 890.69 million Baht and the total loan limit of 213.00 million Baht for using as working capital without the compensation for such guarantees.			It was necessary for the Company to use the limit of the letter of guarantee and the loan limit from domestic financial institutions as a collateral/working capital for its business operations. No compensation or guarantee fees were charged for such guarantee for the loan credit.  <b>Opinions of the Audit Committee</b> The Audit Committee considered and deemed that such transactions were reasonable and for the benefit of the Company's business operations, as it was necessary to comply with the terms for application for the support of credit limit from financial institutions for business operations.
	- The Company had the outstanding balance of credit limits from such transaction.	570.15	408.63	
2. Dr. Pornlapas Na Lamphun	<b>Guarantee for the letter of guarantee and loan limit with financial institutions for the Company</b> - Dr. Pornlapas Na Lamphun guaranteed the loans with domestic financial institutions for the Company with the total loan limit of 50.00 million Baht for using as working capital without the compensation for such guarantees.			It was necessary for the Company to use the limit of the letter of guarantee and the loan limit from domestic financial institutions as a collateral/working capital for its business operations. No compensation or guarantee fees were charged for such guarantee for the loan credit.  <b>Opinions of the Audit Committee</b> The Audit Committee considered and deemed that such transactions were reasonable and for the benefit of the Company's business operations, as it was necessary to comply with the terms for application for the support of credit limit from financial institutions for business operations.
	- As at 31 December 2020, the Company had no outstanding balance of credit limits from such transaction.	-	-	

Persons Possibly Having Conflicts	Nature of Connected Transaction	Value of Connected Transaction (Million Baht)		Necessity and Rationale
		Year 2019 For the year ended December 31, 2019	Year 2020 For the year ended December 31, 2020	
3. Ms. Nannapat Kongrod	<b>Guarantee for the letter of guarantee and loan limit with financial institutions for the Company</b> <ul style="list-style-type: none"> <li>- Ms. Nannapas Kongrod guaranteed the loans with domestic financial institutions for the Company with the total guarantee limit of 22.00 million Baht and the total loan limit of 58.00 million Baht for using as working capital without the compensation for such guarantees.</li> </ul>			<p>It was necessary for the Company to use the limit of the letter of guarantee and the loan limit from domestic financial institutions as a collateral/working capital for its business operations. No compensation or guarantee fees were charged for such guarantee for the loan credit.</p> <p><b>Opinions of the Audit Committee</b></p> <p>The Audit Committee considered and deemed that such transactions were reasonable and for the benefit of the Company's business operations, as it was necessary to comply with the terms for application for the support of credit limit from financial institutions for business operations.</p>
	<ul style="list-style-type: none"> <li>- The Company had the outstanding balance of credit limits from such transaction.</li> </ul>	11.88	11.66	
4. Dr. Vuthichai Phanchet	<b>Guarantee for the letter of guarantee and loan limit with financial institutions for the Company</b> <ul style="list-style-type: none"> <li>- Dr. Vuthichai Phanchet guaranteed the loans with domestic financial institutions for the Company with the total loan limit of 50.00 million Baht for using as working capital without the compensation for such guarantees.</li> </ul>			<p>It was necessary for the Company to use the limit of the letter of guarantee and the loan limit from domestic financial institutions as a collateral/working capital for its business operations. No compensation or guarantee fees were charged for such guarantee for the loan credit.</p> <p><b>Opinions of the Audit Committee</b></p> <p>The Audit Committee considered and deemed that such transactions were reasonable and for the benefit of the Company's business operations, as it was necessary to comply with the terms for application for the support of credit limit from financial institutions for business operations.</p>
	<ul style="list-style-type: none"> <li>- As at 31 December 2020, the Company had no outstanding balance of credit limits from such transaction.</li> </ul>	-	-	



Persons Possibly Having Conflicts	Nature of Connected Transaction	Value of Connected Transaction (Million Baht)		Necessity and Rationale
		Year 2019 For the year ended December 31, 2019	Year 2020 For the year ended December 31, 2020	
5. Dr. Phannachet Na Lamphunu	<b>Payment of information technology consultant fees</b> - The Company employed Dr. Phannachet Na Lamphun to be an information technology consultant which the consultant employment contract was made (Holding the position of the consultant from 2005 - present). The Company paid the consultation fees and other welfares.	0.67	0.66	<p>The Company entered into a contract of information technology consultant employment by hiring Dr. Phannachet Na Lamphun who is experienced and specialized in information technology systems to provide advices and solve problems, including manage, improve, and develop information technology systems in accordance with the Company's working policies.</p> <p><b>Opinions of the Audit Committee</b> The Audit Committee considered and deemed that such transactions were reasonable and for the benefit of the Company's business operations.</p>
	- The Company had other payables from such transaction.	-	-	
6. Mr. Surin Sony	<b>Payment of financial advisor fees</b> - The Company employed Mr. Surin Sony to be a financial advisor which the advisor employment contract was made (Holding the position of the advisor from 2016 - present). Currently, Mr. Surin Sony holds the position of the Company's investor relations.	0.88	-	<p>The Company entered into a contract of financial advisor employment by hiring Mr. Surin Sony who is an experienced and specialized in financial, statistics, and information analysis to provide advices and solve problems solving, including give consultation on financial and investment in accordance with the Company's working policies.</p> <p><b>Opinions of the Audit Committee</b> The Audit Committee considered and deemed that such transactions were reasonable and for the benefit of the Company's business operations.</p>
	- The Company had other payables from such transaction.	0.02	-	

Persons Possibly Having Conflicts	Nature of Connected Transaction	Value of Connected Transaction (Million Baht)		Necessity and Rationale
		Year 2019 For the year ended December 31, 2019	Year 2020 For the year ended December 31, 2020	
7. PSK Consultants Company Limited	<b>Service Fees</b> <ul style="list-style-type: none"> <li>The Company used the services of survey, design, and design consultation for projects from PSK Consultants Company Limited by selecting sub-contractors of the Company in accordance with the Company's policies, which specified general prices and trade terms.</li> </ul>	0.72	-	<p>The Company entered into a sub-contractor employment contract for the Company's projects. The Company applied its sub-contractor recruitment system to consider the sub-contractor based on performances and specific expertise. There was a comparison of market prices which was the same as the process of employing other sub-contractors. Regarding the past performances, PSK Consultants Company Limited had performed operations according to its goals and the performance evaluation was at a good level. Such transactions were based on the general trade terms and market-based pricing.</p> <p><b>Opinions of the Audit Committee</b> The Audit Committee considered and deemed that such transactions were reasonable. The pricing was based on the market price and there were general trade terms in accordance with the Company's normal course of business.</p>
	<ul style="list-style-type: none"> <li>The Company had payables from such transaction.</li> </ul>	-	-	
8. Decade Consultant Company Limited	<b>Revenue from Services</b> <ul style="list-style-type: none"> <li>The Company provides the service of project proposal information to Decade Consultant Company Limited. The fee was charged at the service charge rate based on the Company's policy. It was the general service charge rate that was not different from other service providers.</li> </ul>	0.0009	-	<p>The Company entered into a sub-contractor employment contract for the Company's projects. The Company applied its sub-contractor recruitment system to consider the sub-contractor based on performances and specific expertise. There was a comparison of market prices which was the same as the process of employing other sub-contractors. Regarding the past performances, Decade Consultant Company Limited had performed operations according to its goals and the performance evaluation was at a good level. Such transactions were based on the general trade terms and market-based pricing.</p> <p><b>Opinions of the Audit Committee</b> The Audit Committee considered and deemed that such transactions were reasonable. The pricing was based on the market price and there were general trade terms in accordance with the Company's normal course of business.</p>
	<ul style="list-style-type: none"> <li>The Company had receivables from such transaction.</li> </ul>	-	-	
	<b>Service Fees</b> <ul style="list-style-type: none"> <li>The Company used the services of survey, design, and design consultation for projects from Decade Consultant Company Limited by selecting sub-contractors of the Company in accordance with the Company's policies, which specified general prices and trade terms.</li> </ul>	2.05	-	
	<ul style="list-style-type: none"> <li>The Company had payables from such transaction.</li> </ul>	-	-	

### 3. Necessity, Rationale, and Opinions of the Audit Committee

At the Meeting of the Audit Committee No. 1/2021 on February 25, 2021, the Audit Committee of the Company considered and expressed the opinions on connected transactions of the Company and the Company or a person possibly having conflicts of interest, interests, or future conflicts of interest in accordance with the Notification of the Securities and Exchange Commission. The Meeting had considered and deemed that the connected transactions between each other They were reasonable and subject to fair trade terms and were treated in the same manner as other unrelated parties. There was no transfer of benefits between companies.

### 4. Measures and Procedures for Connected Transaction Approval

At the Board of Directors' Meeting No. 1/2020 (the first meeting after the conversion) on April 30, 2020, the Board of Directors considered and approved the principles for the measures and procedures for connected transaction approval as follows;

In the case that there is any connected transactions of the Company and related parties, a person possibly having conflicts of interest, interests, or future conflicts of interest, which is trade agreements in the same manner as an ordinary person would agree with any general counterparty under similar circumstances with trade bargaining power without the interference power resulted from the status of directors, executives or related persons and with general trade terms or market prices under reasonable and auditable conditions without causing a transfer of benefits. The Company's Management can perform operate normally under the principles approved by the Board of Directors and prepare a summary report and report it to the Audit Committee every quarter.

In the event that there is any connected transaction that is not a normal trade transaction, the Company shall provide an opinion by the Audit Committee regarding the necessity and appropriateness of such transaction. In the case that the Audit Committee does not have the expertise to consider potential connected transactions, the Company will consider and assign a specialized independent appraiser or an auditor to express opinions on such connected transactions and present it to the Audit Committee so that the Audit Committee can make decisions and give opinions to the Board of Directors or shareholders, as the case may be, to approve such transactions prior to making the transaction. The Company will disclose connected transactions in the Notes to the Financial Statements audited by the Company's auditors. In addition, the Company will disclose such transactions in the Annual Registration Statement (Form 56-1) and the Company's Annual Report (Form 56-2) in accordance with the securities and exchange laws. However, the approval of such connected transactions must comply with the securities and exchange laws and regulations, notifications, directives, or requirements of the Stock Exchange of Thailand. Those who may have conflicts or interests in making connected transactions shall not be entitled to vote on such connected transactions.

### 5. Policy or Tendency of Future Transactions

According to the resolutions of the Board of Directors' Meeting No. 1/2563 (the first meeting after the conversion) on April 30, 2020, the policy or tendency of future transactions was established as follows;

In the future, if the Company is required to make connected transactions with a person possibly having conflicts of interest with the Company, the Company shall determine any conditions according to the nature of normal business operation and the market price, which can be compared to the conditions or prices incurred with the same type of business that the Company performs with any third parties. However, the Company will assign the Audit Committee to express opinions on the price, the rate of remuneration as well as the necessity and appropriateness

of such connected transactions. In the event that the Audit Committee does not have the expertise to consider potential connected transactions, the Company will consider and assign an independent appraiser, a specialized independent expert, or an auditor of the Company to express opinions on such connected transactions so that the Audit Committee can make decisions and give opinions to the Board of Directors or shareholders as the case may be. However, the Company will disclose connected transactions in the Notes to the Financial Statements audited by the Company's auditors and in the Annual Registration Statement (Form 56-1) and the Company's Annual Report (Form 56-2) in accordance with the rules and the securities and exchange laws, regulations, notifications, directives, or requirements of the Stock Exchange of Thailand.

Regarding the future connected transactions, directors are required to comply with the specified policy on connected transaction. In addition, directors must not approve any transactions that they or a person possibly having conflicts of interest with the Company and must disclose such transactions to the Board of Directors for consideration. The Company must strictly comply with the securities and exchange laws, including regulations, notifications, directives, or requirements of the Stock Exchange of Thailand as well as the requirements relating to the disclosure of connected transaction information and the acquisition or disposal of assets of the Company and the accounting standards specified by the Association of Accountants. In addition, the Company will not make connected transactions with related companies that are not the normal business operation of the Company.

However, the current, ongoing, and future connected transactions are the employment of an information technology consultant, which the Company will consider the necessity and rationale for employing a consultant who will provide useful consultation and advices to the Company, and the employment of sub-contractors for the Company's projects. The Company applies its sub-contractor recruitment system to consider the sub-contractor based on performances and specific expertise. There is a comparison of market prices which is not different from the employment of other sub-contractors. The Company also considers the past performances of sub-contractors whether they had performed operations according to its goals and the performance evaluation was at a good level. However, such transactions are subject to the normal trade conditions and the pricing is in accordance with the market price.

Regarding the Company's reliance on directors to guarantee loans from financial institutions without compensation for such guarantee, the company is currently listed on the Market for Alternative Investment (MAI) so it is expected that financial institutions will allow directors to withdraw loan guarantees to reduce financial dependence on directors in the near future.

## **6. Measures on Investor Protection**

To protect investors, if there is any connected transaction with a person possibly having a conflict of interest, interests, or future conflict of interest in the future, the Company will arrange the presentation of such transaction through the Audit Committee's Meeting and the Board of Directors' Meeting attended by the Audit Committee, except any connected transactions with trade agreements with general trade terms. The Board of Directors had approved the principles and assigned the Management to perform such operations at the Board of Directors' Meeting No. 1/2020 (the first meeting after the conversion) on April 30, 2020. This is to ensure fair connected transactions and appropriate pricing policies. The Board of Directors shall strictly comply with the securities and exchange law and regulations, notifications, requirements of the Stock Exchange of Thailand as well as the requirements regarding disclosure of connected transaction information and the acquisition or disposal of important assets of listed companies.

## SIGNIFICANT FINANCIAL INFORMATION

### 1. Opinions of Auditor

The report of the Certified Public Account who audited/reviewed the financial statements of the Company for the year ended December 31, 2017, December 31, 2018, December 31, 2019, and December 31, 2020 can be summarized as follows;

Audit Statements	: Financial Statements for 12 months of the year 2018 for the year ended December 31, 2018
Auditors and Opinions of Auditors	: PricewaterhouseCoopers ABS Company Limited, by Mr. Chanchai Chaiprasit, the certified public accountant No. 3760, who is the auditor on the list of auditors approved by the Office of the Securities and Exchange Commission, performed the audit in accordance with the auditing standards. The auditor expressed the opinion that the Company's financial statements presented fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Audit Statements	: Financial Statements for 12 months of the year 2019 for the year ended December 31, 2019
Auditors and Opinions of Auditors	: PricewaterhouseCoopers ABS Company Limited, by Mr. Chanchai Chaiprasit, the certified public accountant No. 3760, who is the auditor on the list of auditors approved by the Office of the Securities and Exchange Commission, performed the audit in accordance with the auditing standards. The auditor expressed the opinion that the Company's financial statements presented fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Audit Statements	: Financial Statements for 12 months of the year 2020 for the year ended December 31, 2020
Auditors and Opinions of Auditors	: PricewaterhouseCoopers ABS Company Limited, by Miss Rodjanart Panyathananusart, the certified public accountant No. 8435, who is the auditor on the list of auditors approved by the Office of the Securities and Exchange Commission, performed the audit in accordance with the auditing standards. The auditor expressed the opinion that the Company's financial statements presented fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



## 2. Table of Summary of Financial Statements

### 1) Statement of Financial Position: Index International Group Public Company Limited

(Unit : Million Baht)

Statement of Financial Position	December 31, 2018 (Audited)		December 31, 2019 (Audited) <sup>1</sup>		December 31, 2020 (Audited) <sup>2</sup>	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<b>Asset</b>						
<b>Current assets</b>						
Cash and cash equivalents	55.68	8.05	71.21	12.14	238.84	32.94
Financial assets measured at amortized cost	-	-	-	-	0.95	0.13
Short-term investments	0.64	0.09	0.71	0.12	-	-
Trade receivables and other receivables - Net	295.95	42.81	197.32	33.64	190.55	26.28
Assets arising from contracts / receivables under contracts	189.71	27.44	177.48	30.25	143.76	19.83
Inventory	2.23	0.32	-	-	-	-
Other current assets	42.49	6.15	42.68	7.28	51.88	7.16
<b>Total current assets</b>	<b>586.70</b>	<b>84.86</b>	<b>489.40</b>	<b>83.43</b>	<b>625.98</b>	<b>86.33</b>
<b>Non-current assets</b>						
Bank deposits with guarantee obligations	65.89	9.53	62.24	10.61	69.98	9.65
Financial assets measured at amortized cost	-	-	-	-	0.32	0.04
Long-term investments	1.60	0.23	0.16	0.03	-	-
Property, plant and equipment- Net	30.23	4.37	26.71	4.55	15.48	2.13
Right-of-use assets- Net	-	-	-	-	5.81	0.80
Intangible assets - Net	2.13	0.31	1.70	0.29	1.12	0.15
Deferred tax assets	4.52	0.66	6.10	1.04	6.32	0.87
Other non-current assets	0.30	0.04	0.28	0.05	0.07	0.01
<b>Total non-current assets</b>	<b>104.67</b>	<b>15.14</b>	<b>97.19</b>	<b>16.57</b>	<b>99.10</b>	<b>13.67</b>
<b>Total assets</b>	<b>691.37</b>	<b>100.00</b>	<b>586.59</b>	<b>100.00</b>	<b>725.08</b>	<b>100.00</b>
<b>Liabilities and Shareholders' Equity</b>						
<b>Current Liabilities</b>						
Overdrafts and short-term loans	9.75	1.41	-	-	-	-
Trade payables and other payables	417.38	60.37	308.89	52.66	281.83	38.87
Current portion of finance lease liabilities	3.03	0.44	3.68	0.63	-	-
Current portion of lease liabilities	-	-	-	-	4.03	0.56
Liabilities arising from contracts / payables under contracts	61.00	8.82	36.26	6.18	33.81	4.66
Other current liabilities	11.27	1.63	11.44	1.95	11.18	1.54
<b>Total current liabilities</b>	<b>502.43</b>	<b>72.67</b>	<b>360.27</b>	<b>61.42</b>	<b>330.85</b>	<b>45.63</b>

Statement of Financial Position	December 31, 2018 (Audited)		December 31, 2019 (Audited) <sup>1</sup>		December 31, 2020 (Audited) <sup>2</sup>	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
<b>Non-current liabilities</b>						
Finance lease liabilities	7.53	1.09	6.51	1.11	-	-
Lease liabilities	-	-	-	-	3.78	0.52
Employee benefit obligations	22.10	3.20	29.08	4.96	30.19	4.16
<b>Total non-current liabilities</b>	<b>29.63</b>	<b>4.29</b>	<b>35.59</b>	<b>6.07</b>	<b>33.97</b>	<b>4.68</b>
<b>Total Liabilities</b>	<b>532.06</b>	<b>76.96</b>	<b>395.86</b>	<b>67.48</b>	<b>364.82</b>	<b>50.31</b>
<b>Shareholders' Equity</b>						
<b>Registered Capital</b>						
500,000 ordinary shares at a par value of 100.00 Baht each	50.00	7.23	50.00	8.53	175.00	24.14
350,000,000 ordinary shares at a par value of 0.50 Baht each <sup>3</sup>	-	-	-	-	-	-
<b>Issued and paid-up capital</b>						
500,000 ordinary shares Paid-up value of 100.00 Baht per share	50.00	7.23	50.00	8.53	175.00	24.14
260,000,000 ordinary shares Paid-up value of 0.50 Baht per share <sup>3</sup>	-	-	-	-	-	-
Premium on ordinary shares	22.72	3.29	22.72	3.87	73.02	10.07
Premium on capital from share-based payment	50.00	7.23	50.00	8.53	50.00	6.90
Retained earnings (Loss)						
- Allocated - Legal reserve	5.00	0.72	5.00	0.85	5.94	0.82
- Unallocated	31.59	4.57	63.01	10.74	56.30	7.77
<b>Total Shareholders' Equity</b>	<b>159.31</b>	<b>23.04</b>	<b>190.73</b>	<b>32.52</b>	<b>360.26</b>	<b>49.69</b>
<b>Total liabilities and shareholders' equity</b>	<b>691.37</b>	<b>100.00</b>	<b>586.59</b>	<b>100.00</b>	<b>725.08</b>	<b>100.00</b>

Remarks<sup>1</sup> Basis for Preparation of Financial Statements for the 2019 Financial Statements

The following table shows the amount of each item in the financial information for the period 2019 for the year ended December 31, 2019, from the application of the new Financial Reporting Standards on Revenue compared with the previous Financial Reporting Standards on Revenue.

(Unit : Million Baht)

Item	Reported Amount	Effects from Standard No. 15	Amount according to Previous Financial Reporting Standards
<b>Statement of Financial Position as at December 31, 2019</b>			
Assets arising from contracts	177.48	0.17	177.65
Other current assets	42.68	0.03	42.71
Liabilities arising from contracts	36.26	0.02	36.28
Retained earnings	63.01	0.17	63.18
<b>Statement of Comprehensive Income for the Year Ended December 31, 2019</b>			
Revenue from services	771.00	(0.14)	770.86
Income tax expenses	(8.12)	(0.03)	(8.09)

<sup>2</sup> Regarding the Financial Statements from January 1, 2020, the Company adopted the Financial Reporting Standard on Financial Instruments (TAS 32, TFRS 7, and TFRS 9) and Leases (TFRS 16) retrospectively modified from January 1, 2020. However, the Company did not make a retrospective adjustment to the comparative financial statements for the fiscal year 2019, which was practicable in accordance with the requirements of such Financial Reporting Standard. The Company adjusted and reclassified the items in accordance with the requirements of the new Financial Reporting Standard in the balance brought forward as at January 1, 2020 of the statement of financial position.

The adjustments to each item in the statement of financial position from the first application of the Financial Reporting Standard on Financial Instruments and the Standard on Leases are as follows;

(Unit : Million Baht)

Item	As at December 31, 2019 as Previously Reported	TAS 32 and TFRS 9 Adjustments and Reclassification	TFRS 16 Adjustments and Reclassification	As at January 1, 2020 as Newly Adjusted
<b>Asset</b>				
<b>Current assets</b>				
Financial assets measured at amortized cost	-	0.71	-	0.71
Short-term investments	0.71	(0.71)	-	-
Trade receivables and other receivables - Net	197.32	(0.72)	-	196.60
Assets arising from contracts	177.48	6.79	-	184.27
<b>Non-current assets</b>				
Financial assets measured at amortized cost	-	0.16	-	0.16
Long-term investments	0.16	(0.16)	-	-
Property, plant and equipment - Net	26.71	-	(7.84)	18.87
Right-of-use assets - Net	-	-	8.89	8.89

(Unit : Million Baht)

Item	As at December 31, 2019 as Previously Reported	TAS 32 and TFRS 9 Adjustments and Reclassification	TFRS 16 Adjustments and Reclassification	As at January 1, 2020 as Newly Adjusted
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of finance lease liabilities	3.68	-	(3.68)	-
Current portion of lease liabilities	-	-	4.06	4.06
<b>Non-current liabilities</b>				
Finance lease liabilities	6.51	-	(6.51)	-
Lease liabilities	-	-	7.23	7.23
<b>Shareholders' Equity</b>				
Retained earnings - Unallocated	63.01	6.07	(0.05)	69.03

Remarks

Additional details on application of the new financial reporting standards are shown in Attachment 3, Financial Statements for the first 9 months of the year 2020 for the year ended September 30, 2020

<sup>a3</sup> At the 2020 Annual General Meeting of Shareholders held on March 16, 2020, the Company passed the resolution to approve the increase of the Company's registered capital by 80.00 million Baht. The capital increased from 50.00 million Baht to 130.00 million Baht by issuing 800,000 newly issued ordinary shares with a par value of 100 Baht each for offering to existing shareholders of the Company in accordance with the rights and shareholding proportion of shareholders. The Company registered such capital increase with the Ministry of Commerce on March 27, 2020.

The Extraordinary General Meeting of Shareholders No.1/2563 on April 20, 2020 passed the resolution to approve the change of the Company's par value from 100 Baht per share to 0.50 Baht per share (from the registered capital of 130,000,000 Baht per share divided into 1,300,000 ordinary shares at a par value of 100 Baht each to 260,000,000 ordinary shares at a par value of 0.50 Baht each) and also approve the increase of the registered capital by 45,000,000 Baht to 175,000,000 Baht by issuing 90,000,000 newly issued ordinary shares at a par value of 0.50 Baht each for initial public offering (IPO).





## 2) Statement of Comprehensive Income: Index International Group Public Company Limited

Statement of Comprehensive Income	Period 2018 For the Year Ended December 31, 2018 (Audited)		Period 2019 For the Year Ended December 31, 2019 <sup>3</sup> (Audited)		(Unit - Million Baht) Period 2020 For the Year Ended December 31, 2020 (Audited)	
	Million Baht	Percentage	Million Baht	Percentage	Million Baht	Percentage
Revenue from service	1,657.04	99.91	771.00	99.66	573.35	99.40
Other revenues <sup>1</sup>	1.47	0.09	2.64	0.34	3.46	0.60
<b>Total Revenue</b>	<b>1,658.51</b>	<b>100.00</b>	<b>773.64</b>	<b>100.00</b>	<b>576.81</b>	<b>100.00</b>
Cost of service	(1,480.60)	(89.27)	(633.27)	(81.86)	(468.20)	(81.17)
<b>Gross margin</b>	<b>176.44</b>	<b>10.64</b>	<b>137.73</b>	<b>17.80</b>	<b>105.16</b>	<b>18.23</b>
<b>Profit before expenses</b>	<b>177.91</b>	<b>10.73</b>	<b>140.37</b>	<b>18.14</b>	<b>108.61</b>	<b>18.83</b>
Administrative expenses	(93.51)	(5.64)	(99.02)	(12.80)	(85.34)	(14.80)
<b>Profit before financing costs and income tax</b>	<b>84.40</b>	<b>5.09</b>	<b>41.35</b>	<b>5.34</b>	<b>23.27</b>	<b>4.03</b>
Financing costs	(3.00)	(0.18)	(1.61)	(0.21)	(1.32)	(0.23)
<b>Profit before income tax</b>	<b>81.40</b>	<b>4.91</b>	<b>39.74</b>	<b>5.14</b>	<b>21.95</b>	<b>3.81</b>
Income tax expense	(16.34)	(0.99)	(8.12)	(1.05)	(4.17)	(0.72)
<b>Profit for the year</b>	<b>65.06</b>	<b>3.92</b>	<b>31.62</b>	<b>4.09</b>	<b>17.78</b>	<b>3.08</b>
<b>Other comprehensive incomes</b>						
Entries that will not be reclassified to profit or loss after revaluation of employee benefit obligations - Net from tax	1.69	0.10	0.08	0.01	0.43	0.07
Total entries that will not be subsequently reclassified to profit or loss	1.69	0.10	0.08	0.01	0.43	0.07
<b>Other comprehensive income for the year - Net from tax</b>	<b>1.69</b>	<b>0.10</b>	<b>0.08</b>	<b>0.01</b>	<b>0.43</b>	<b>0.07</b>
<b>Total comprehensive income for the year</b>	<b>66.75</b>	<b>4.02</b>	<b>31.70</b>	<b>4.10</b>	<b>18.21</b>	<b>3.16</b>
Earnings per share <sup>2</sup> (Baht / share) (calculated from par value of 100 Baht per share)	130.13		63.25		15.99	
Earnings per share <sup>2</sup> (Baht / share) (calculated from par value of 0.50 Baht per share)	0.65		0.32		0.08	

## Remarks

<sup>1</sup> Other revenues include interest income, profit from the disposal of assets, income from documentation, income from purchases and sales other than those in contracts, income from disposal of assets that are not used in the Company's operations, etc.

<sup>2</sup> Earnings per share is calculated from the net profit for each period divided by the number of issued and paid-up ordinary shares at the end of the accounting period

<sup>3</sup> Basis for Preparation of Financial Statements for the 2019 Financial Statements

The following table shows the amount of each item in the financial information for the period 2019 for the year ended December 31, 2019, from the application of the new Financial Reporting Standards on Revenue compared with the previous Financial Reporting Standards on Revenue.

(Unit : Million Baht)

Item	Reported Amount	Effects from Standard No. 15	Amount according to Previous Financial Reporting Standards
<b>Statement of Financial Position as at December 31, 2019</b>			
Assets arising from contracts	177.48	0.17	177.65
Other current assets	42.68	0.03	42.71
Liabilities arising from contracts	36.26	0.02	36.28
Retained earnings	63.01	0.17	63.18
<b>Statement of Comprehensive Income for the Year Ended December 31, 2019</b>			
Revenue from services	771.00	(0.14)	770.86
Income tax expenses	(8.12)	(0.03)	(8.09)

### 3) Statement of Cash Flow: Index International Group Public Company Limited

(Unit : Million Baht)

Statement of Cash Flow	Period 2018 For the Year Ended December 31, 2018 (Audited)	Period 2019 For the Year Ended December 31, 2019 (Audited)	Period 2020 For the Year Ended December 31, 2020 (Audited)
<b>Cash flows from operating activities</b>			
<b>Profit before income tax</b>	81.40	39.74	21.95
Adjusting entries			
Allowance for doubtful debts	0.40	(0.31)	-
(Reversing entries) Allowance for expected credit losses	-	-	0.42
Depreciation	8.34	8.07	7.74
Amortization	0.53	0.66	0.66
Amortization of property, plant and equipment	0.01	0.07	0.04
Amortization of intangible assets	-	-	0.00
Amortization of assets and lease liabilities - Net	-	-	(0.00)
Employee benefit obligations	3.18	9.08	4.55
Profit from the disposal of property, plant and equipment	-	(0.63)	(0.76)
Interest income	(0.67)	(0.61)	(0.68)
Financing costs	3.00	1.61	1.32

Statement of Cash Flow	Period 2018 For the Year Ended December 31, 2018 (Audited)	Period 2019 For the Year Ended December 31, 2019 (Audited)	Period 2020 For the Year Ended December 31, 2020 (Audited)
<b>Changes in operating assets and liabilities</b>			
Trade receivables and other receivables	103.20	98.94	5.63
Assets arising from contracts / receivables under contracts	(107.44)	11.95	40.52
Inventory	43.97	2.22	-
Other current assets	5.09	(2.35)	0.94
Other non-current assets	0.60	0.01	0.21
Trade payables and other payables	32.20	(108.49)	(27.07)
Liabilities arising from contracts / payables under contracts	(45.65)	(24.74)	(2.46)
Other current liabilities	(0.52)	0.16	(0.25)
Payment of employee benefit obligations	(2.15)	(1.99)	(2.90)
<b>Cash flows from operating activities</b>	<b>125.49</b>	<b>33.39</b>	<b>49.86</b>
Interest expense	(3.00)	(1.61)	(1.32)
Income tax expense	(34.83)	(7.56)	(13.70)
<b>Net cash derived from (used in) operating activities</b>	<b>87.66</b>	<b>24.22</b>	<b>34.84</b>
<b>Cash flows from investing activities</b>			
Changing Financial assets measured at amortized cost	-	-	(0.41)
Changing short-term investments	(0.29)	(0.07)	-
Net bank deposits with changing guarantee obligations	(3.32)	3.65	(7.74)
Changing long-term investments	(1.06)	1.44	-
Cash paid for purchases of property, plant and equipment	(3.23)	(2.35)	(0.77)
Cash received from disposal of property, plant and equipment	-	0.63	0.76
Cash paid for purchases of intangible assets	(1.19)	(0.22)	(0.08)
Interest income	0.67	0.61	0.68
<b>Net cash derived from (used in) investing activities</b>	<b>(8.42)</b>	<b>3.69</b>	<b>(7.56)</b>
<b>Cash flows from financing activities</b>			
Cash received from short-term loans	203.00	-	-
Cash paid for short-term loan repayment	(218.00)	-	-
Cash paid for finance lease liabilities repayment	(2.72)	(2.63)	(4.02)
Cash paid for lease liabilities repayment	-	-	-
Cash received from capital increase	-	-	125.00
Cash received from initial public offering	-	-	54.00

Statement of Cash Flow	Period 2018 For the Year Ended December 31, 2018 (Audited)	Period 2019 For the Year Ended December 31, 2019 (Audited)	Period 2020 For the Year Ended December 31, 2020 (Audited)
Cash paid from cost of share issuance	-	-	(4.63)
Dividends paid to shareholders	-	-	(30.00)
<b>Net cash used in financing activities</b>	<b>(17.72)</b>	<b>(2.63)</b>	<b>140.35</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>61.52</b>	<b>25.28</b>	<b>167.63</b>
Cash and cash equivalents at the beginning of the period	(15.59)	45.93	71.21
<b>Cash and cash equivalents at the end of the period</b>	<b>45.93</b>	<b>71.21</b>	<b>238.84</b>
Cash and cash equivalents at the end of the period consist of;			
- Cash and cash equivalents	55.68	71.21	238.84
- Overdraft	(9.75)	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>45.93</b>	<b>71.21</b>	<b>238.84</b>
<b>Non-cash items</b>			
Finance lease liabilities from purchases of property, plant and equipment	2.29	2.26	-
Right-of-use assets and lease liabilities	-	-	0.58

#### 4) Financial Ratio: Index International Group Public Company Limited

Financial ratio	Year 2018	Year 2019	Year 2020
	Audit	Audit	Audit
<b>LIQUIDITY RATIO</b>			
Liquidity ratio (times)	1.17	1.36	1.89
Quick liquidity ratio (times)	0.70	0.75	1.30
Cash flow liquidity ratio (times)	0.17	0.06	0.10
Account receivable turnover ratio	12.66	7.20	5.61
Average collection period (days)	28	51	65
Payable turnover ratio (times)	13.98	7.27	5.08
Repayment period (days)	26	50	71
CASH CYCLE (days)	3	1	-7

Financial ratio	Year 2018	Year 2019	Year 2020
	Audit	Audit	Audit
<b>PROFITABILITY RATIO</b>			
Gross profit margin (%)	10.65%	17.86%	18.34%
Operating profit margin (%)	5.09%	5.36%	4.06%
Other profit margins	0.09%	0.34%	0.60%
Cash-to-Profit Ratio (%)	103.87%	58.58%	141.87%
Net profit margin (%)	3.92%	4.09%	3.08%
Return on equity (%)	51.66%	18.07%	6.45%
<b>EFFICIENCY RATIO</b>			
Return on asset (%)	9.62%	4.95%	2.71%
Return on fixed asset (%)	221.08%	132.80%	69.98%
Asset turnover (times)	2.45	1.21	0.88
<b>FINANCIAL POLICY RATIO</b>			
Debt to equity ratio (times)	3.34	2.08	1.01
Debt to equity ratio (Times) (calculated by using interest-bearing debt)	0.13	0.05	0.02
Interest coverage ratio (times)	41.85	20.77	37.83
Debt service coverage ratio (Cash Basis) (times)	0.39	4.65	0.95
Dividend Payment Rate (%) <sup>1</sup>	-	94.87% <sup>2</sup>	-

**Remarks**

<sup>1</sup> The dividend rate is calculated from the dividend paid divided by the net profit for the period.

<sup>2</sup> The 2020 Annual General Meeting of Shareholders held on March 16, 2020 passed the resolution to approve the dividend payment from retained earnings as at December 31, 2019 (the latest audited financial statements on the date of consideration of the dividend payment) to existing shareholders holding ordinary shares before the IPO in the amount of 500,000 shares at the rate of 60 Baht per share, totaling 30.00 million Baht. Such dividend was paid on March 17, 2020. If the retained earnings that the Company uses for considering the dividend payment for the year 2019 are taken into account (Retained earnings as at December 31, 2019), the dividend payment rate will be at 44.11% of the retained earnings as at December 31, 2019.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. Performances

### Overview of Past Performance

Index International Group Public Company Limited ("Company" or "IND") is the company that provides various forms of engineering consultation services, including survey and feasibility study of projects, conceptual and detailed design, project management and construction supervision, and design-build services, to both public and private sectors by experienced and expert engineers and architects and the application of appropriate technologies to enhance operational efficiency. The Company finally gains trust and confidence from customers.

The Company has experiences and expertise and provides services of all engineering fields, covering all areas of the operation, such as feasibility study, preparation of a master plan and study of the suitability of projects, topographic surveys, financial, economic and investment analysis and study, environmental impact analysis, calculation and detailed design in terms of engineering and architecture, project management and construction supervision as well as design-build services.

The Company's services can be classified into three categories as follows:

- 1) Conceptual Design & Detailed Design: It is the conceptual design or preliminary planning. The technical and design department will study all components of works for customers so that they can make decisions. The engineering design is also offered for using in the bidding and construction.
- 2) Project Management & Construction Supervision: The Company will act as the employer's agent to perform any operations, such as personnel recruitment, contract preparation, price checking, construction supervision, etc.
- 3) Design-Build: It includes the preparation of master plans and comprehensive designs, studying environment, providing advices on the development of product storage systems, project construction, and the construction of the utility system of projects.

Regarding the overview of the Company's operations in 2020, the Company's total revenue was 576.81 million Baht, divided into the revenue from service of 573.35 million Baht, accounting for 99.40% of the total revenue, and other revenues, consisting of interest income, capital profits, revenues from documentation, revenues from trading goods other than those in contracts, revenues from disposal of assets that are not used in the Company's operations, etc. In 2020, the Company had other revenues of 3.46 million Baht or accounting for 0.60% of the total revenue. In 2020, revenues and net profit decreased from the year 2019 due to the decrease in revenues from large-scale projects, resulting from the completed projects during the year 2018 to 2019 along with the slowdown in public and private biddings caused by the COVID-19 outbreak and the increasing administrative expenses. As a result, the net profit for the year 2020 of the Company decreased.

## Performance Analysis

### Revenue

Table of Revenue Classified by Category

Revenue Structure	Year 2019		Year 2020		Increase (Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue Classified by Type of Service	771.00	99.66	573.35	99.40	(197.65)	(25.64)
Conceptual Design and Detailed Design	117.19	15.15	95.01	16.47	(22.17)	(18.92)
Project Management and Construction Supervision	83.50	10.80	53.34	9.25	(30.16)	(36.12)
Design-Build	570.21	73.70	424.29	73.56	(145.91)	(25.59)
Other Services <sup>/1</sup>	0.10	0.01	0.71	0.12	0.61	589.05
Revenue Classified by Nature of Project	771.00	99.66	573.35	99.40	(197.65)	(25.64)
Tank Farm & Pipeline Transportation System	578.12	74.73	430.50	74.63	(147.62)	(25.53)
Mass Transit System	107.26	13.86	60.45	10.48	(46.81)	(43.64)
Highway & Expressway	36.18	4.68	50.65	8.78	14.48	40.01
Airport	32.39	4.19	21.35	3.70	(11.04)	(34.08)
Irrigation	14.77	1.91	9.60	1.66	(5.17)	(35.00)
Building	2.28	0.29	0.80	0.14	(1.48)	(64.83)
Revenue Classified by Customer Group	771.00	99.66	573.35	99.40	(197.65)	(25.64)
Private Sector	598.96	77.42	474.19	82.21	(124.76)	(20.83)
Public Sector/State Enterprises	172.04	22.24	99.16	17.19	(72.88)	(42.36)
Total Revenues from Service	771.00	99.66	573.35	99.40	(197.65)	(25.64)
Other Revenues <sup>/2</sup>	2.64	0.34	3.46	0.60	0.82	30.97
<b>Total Revenues</b>	<b>773.64</b>	<b>100.0</b>	<b>576.81</b>	<b>100.00</b>	<b>(196.82)</b>	<b>(25.44)</b>

Remarks :

<sup>/1</sup> Other services include Test and Calibrate Additive Injection.

<sup>/2</sup> Other revenues include interest income, capital profits, revenues from documentation, revenues from trading goods other than those in contracts, revenues from disposal of assets that are not used in the Company's operations, etc.

### Revenues from Service

In 2020, the Company's revenues from service were 573.35 million Baht. The majority of revenues from service derived from design-build, accounting for 73.56% of the total revenues from service, followed by the revenue from conceptual design and detailed design and project management and construction supervision, accounting for 16.47% and 9.25% of the total revenues from service, respectively. The total revenues from service decreased from 771.00 million Baht in 2019 or accounting for 26.64%. The main reason derived from the large-scale projects that were completely recognized as the main revenue during the year 2017 to 2019. As a result, in 2020, these projects were in the final construction phase and were in preparation for delivery, so the value of revenue recognition was quite low compared to the previous period. In addition, in 2020, there were the delayed announcement of the Annual Expenditure Budget for Fiscal Year Act and the COVID-19 outbreak, resulting in a slowdown and postponement of the public and private investment.

Revenue from conceptual design and detailed design in 2020 decreased from 18.92% in 2019 or accounting for 117.19 million Baht to 95.01 million Baht. The main reasons were the fewer number of new projects launched in 2020 due to the slowdown of the public investment as mentioned above. As the development of basic utility structures which was the Company's main scope of work was delayed and the biddings were also postponed, the Company was unable to participate in biddings for new projects according to the plan. However, the Company recognizes revenue from new projects launched in 2020, such as consultation services for conceptual design, China-Thailand High-Speed Railway Joint Venture, Bangkok-Nong Khai Section (Phase 2 Nakhon Ratchasima-Nong Khai Section), engineering services for survey and detailed design of the Survey and Design Project of the 4-lane Highway, Phanat Nikhom Bypass (North), etc.

Revenues from project management and construction supervision in 2020 decreased from 36.12% in 2019 or accounting for 83.50 million Baht to 53.34 million Baht, because large-scale project management and construction supervision projects had been recognized continuously until it came nearly to the end of the project in 2019, such as consultation services for project management and construction supervision of the MRT Green Line (North) Project, Mo Chit - Saphan Mai - Kukhot, the project management of the MRT Blue Line Project (Tao Poon - Tha Phra). As a result, in 2020, the remaining revenue of these projects were recognized, which was less than the project value compared to the previous year. However, the Company recognized revenues from new projects launched in 2020, such as independent engineer's work to inspect and certify the operating conditions of Second Stage Expressway, A, B, and C Sections, supervision of land leveling for construction of the taxiway, Phase 1, and the parking bay of aircraft maintenance center, etc.

Revenues from design-build services in 2020 decreased to 25.59% from the year 2019 or decreased from 570.21 million Baht to 424.29 million Baht. This was because in 2019 the Company recognized revenue and delivered most works of large-scale projects of Phichit Oil Depot and Lampang Oil Depot Design-Build. In addition, the delay of bidding of the public and private sectors due to the impact of the COVID-19 outbreak caused the Company's revenue from design-build service to decrease. However, in 2020, the Company accepted one new design-build project, namely Aviation Fuel Storage Tank Design-Build Project (T-2306), which its contract value was 382.00 million Baht.

### Other Revenues

In 2020, the Company had other revenues of 3.46 million Baht or 0.60% of the total revenue. Other revenues consist of interest income, capital profits, revenues from documentation, revenues from trading goods other than those in contracts, revenues from disposal of assets that are not used in the Company's operations, etc.

## Cost and Gross Profit

### Cost

#### Cost of Service

The Company's cost of service includes important items as follow: 1) labor costs, such as salaries, employee wages, work allowances, overtime pay, professional service fees, bonuses, etc., 2) costs of sub-contractors' wages, 3) overhead costs, such as utility fees, depreciation of operating assets, and 4) costs of construction materials.

In 2020, the Company's cost of service decreased by 26.07% from the year 2019 or decreased from 633.27 million Baht to 468.20 million Baht. This was in line with the decreasing revenues from service as a result of the decreasing cost of service from oil depot design-build in Phichit and Lampang, which were the large-scale and high-valued projects and were nearly completed. In addition, the expenses for meeting organization of any projects reduced because the meeting were changed to be organized via the electronic method which required the lower cost. In addition, bidding of both public and private sectors slowed down due to the COVID-19 outbreak, resulting in the decreasing cost of service costs in this area in 2020.

#### Administrative expenses

The Company's administrative expenses include wages, employee compensation and welfares, bonuses, repair and maintenance fees of office supplies, vehicles, consulting fees, utility fees, depreciation of assets, and other expenses. In 2020, the Company's administrative expenses decreased by 13.81% from 2019 or decreased from 99.02 million Baht to 85.34 million Baht. This was the result of the significant reduction of working hours during the COVID-19 outbreak, so the employee expenses decreased in line with the reduction of working hours. In addition, in 2019, the Company had expenses for organizing the Company's 36th anniversary in the amount of 2.62 million Baht, while, in 2020, there was no such expense. In addition, in 2020, other expenses decreased from 2019, such as certification fees, miscellaneous expenses, so the Company's administrative expenses also decreased.

### Gross Profit and Net Profit

(Unit : Million Baht)

Gross Profit	Year 2019	Year 2020	Increase (Decrease)	Increase (Decrease) Percentage
Revenue from Service	771.00	573.35	(197.65)	(25.64)
Cost of Service	633.27	468.20	(165.07)	(26.07)
Gross Profit	137.73	105.15	(32.58)	(23.65)
<b>Gross Profit Margin</b>	<b>17.86%</b>	<b>18.34%</b>	<b>0.48%</b>	<b>2.69</b>

In 2020, the Company's gross profit decreased by 25.64% from the year 2019 or decreased from 137.73 million Baht to 105.15 million Baht. The decrease in gross profit derived from the decreasing revenues, resulting from the delivery of nearly completed large-scale projects, such as Lampang Oil Depot Design-Build, and the projects completely delivered to customers, such as Phichit Oil Depot Design-Build Project, Bangpa-in Pumping Station and Control System Design-Build Project, etc. In addition, in 2020, the Company accepted fewer conceptual design and detailed design work than in 2019 as the government delayed in the budget approval later than every year, resulting in the decreasing net profit margin in 2020 compared to the previous year. The gross profit margin in 2020 increased by 2.69% or increased from 17.86% to 18.34% due to the decreasing cost of service as mentioned above.

Regarding the Company's net profit in 2020, it decreased by 43.77% or decreased from 31.62 million Baht to 17.78 million Baht. The main reason was the Company's decreasing revenues due to the delivery of nearly completed large-scale projects, such as Phichit Oil Depot Design-Build Project and Lampang Oil Depot Design-Build Project. In addition, in 2020, projects that the Company had participated in bidding were postponed, resulting in the decrease in the Company's net profit and net profit margin compared to the year 2019. The Company's net profit margin was 3.10% in 2020 and 4.10% in 2019 or decreased by 0.25%.

### Total Assets

As at December 31, 2020, the Company's total assets were 725.08 million Baht, increased by 138.49 million Baht from the year 2019 or 23.61%. They were divided into current assets of 625.98 million Baht and non-current assets of 99.11 million Baht, or accounting for 86.33% and 13.67%, respectively.

### Cash and Cash Equivalents

As at December 31, 2020, the Company's cash and cash equivalents increased by 167.63 million Baht or 235.40% compared to cash and cash equivalents as at December 31, 2019. This was because the Company received revenues from the sale of newly issued ordinary shares. The capital increased from 50.00 million Baht to 175.00 million Baht, causing the Company to have additional cash from such capital increase.

### Trade Receivables and Other Receivables

The Company has the policy to set up receivables from the delivery of work under contracts to the employer. Once the employer completely performs the incoming inspection, the Company will prepare an invoice and submit it to the employer with the credit term of 60 days. The Company's trade receivables and other receivables - net as at December 31, 2020, slightly decreased from 197.32 million Baht as at December 31, 2019, to 190.55 million Baht or decreased by 3.43% due to the decreasing prepaid expenses and retention receivables as the Company delivered completed large-scale projects to customers.

### Contract Assets/Contract Receivables

The Company recognized the contract assets or contract receivables when the Company recognized revenues from the performance of obligations under contracts prior to receiving payments or reaching the payment due under contracts. As at December 31, 2020, the contract assets/contract receivables decreased from 177.48 million Baht on December 31, 2020 to 143.76 million Baht or decreased by 19.00%. The contract assets will be transferred to the trade receivables when the Company has completed the work under the contractual agreement with the employer. However, the Company will issue an invoice according to the period or progress identified in the contract, which mostly will occur within 1 year.

### Other current assets

As at December 31, 2020, the Company's other current assets increased by 21.54% from the year 2019 or increased from 42.68 million Baht to 51.88 million Baht. Other current assets include withholding tax and undue input tax.

### Bank Deposits with Guarantee Obligation

As at December 31, 2020, the Company's deposits with guarantee increased by 12.43% from the year 2019 or increased from 62.24 million Baht to 69.98 million Baht. The important item was the abovementioned bank deposits. The Company used it as collateral for the application for credit limits in the type of letter of guarantee under any project contracts and as collateral for short-term loans with the banks.



#### Property, Plant, and Equipment - Net

As at December 31, 2020, the Company's property, plant, and equipment — net decreased by 42.02% from the year 2019 or decreased by 26.70 million Baht to 15.48 million Baht. In 2020, the Company adopted the Financial Reporting Standard No. 16, Re: Lease Agreement (TFRS16) by reclassifying assets from the lease agreement, which previously were recognized in the property, plant, and equipment, and recognizing them as "Right-of-use assets". As a result, as at December 31, 2020, the Company's property, plant, and equipment — net decreased from the year 2019.

#### Other Non-Current Assets

As at December 31, 2020, the Company's other current assets decreased by 73.54% from the year 2019 or decreased from 0.28 million Baht to 0.07 million Baht. The Company's other non-current assets include other guarantees, such as guarantees for electricity meter and any deposits relating to the Company's operations.

#### Liabilities

As at 31 December 2020, the Company had the total liabilities of 364.82 million Baht, decreased by 31.04 million Baht or 7.84% from the year 2019. They were divided into the total current liabilities of 330.85 million Baht and the total non-current liabilities of 33.97 million Baht, or accounting for 90.69% and 9.31% of total liabilities, respectively. The significant items were as follows:

#### Trade Payables and Other Payables

As at December 31, 2020, the Company's trade payables and other payables were 281.83 million Baht or accounting for the proportion to the total liabilities and total shareholders' equity of 38.87%. The value of liabilities and shareholders' equity decreased by 27.07 million Baht or 8.76% compared to the end of the year 2019. The decreasing trade payables were the result of the decreasing workload, especially the decreasing trade payables in design-build projects. The trade payables decreased due to the delivery of large-scale design-build projects in 2019.

However, other payables increased because the Company had more liabilities with guarantee obligations due to the deposit of guarantees of sub-contractors.

#### Contract Liabilities/Contract Payables

The Company recognizes contract liabilities/contract payables upon receiving payments from customers or reaching the payment due under contracts before the Company fulfilled its obligations under contracts. As at December 31, 2020, the Company's contract liabilities/contract payables were 33.81 million Baht or accounting for 4.66% of the total liabilities and shareholders' equity. The value of contract liabilities/contract payables decreased to 2.46 million Baht or decreased by 6.77% compared to the end of the year 2019. The contract liabilities of the Company derived from the difference between the money collected from the project owner and the work in progress of the Company. In the event that the money collected from the project owner is greater than the work in progress of such project, such amount will be recognized as contract liabilities/contract payables.

#### Finance Lease Liabilities

From January 1, 2020, financial lease liabilities have been reclassified in accordance with Financial Reporting Standard No. 16, Re: Lease Agreement (TFRS16). As a result, there was no "current portion of financial lease liabilities" and "finance lease liabilities" in 2020.

### Lease Liabilities

In 2020, the Company classified lease liabilities in accordance with Financial Reporting Standard No. 16, Re: Lease Agreement (TFRS16) and there were additional adjustments as follows:

(Unit : Million Baht)

	As at December 31, 2019 as previously reported	Adjustment	Reclassification	As at December 31, 2019 as adjusted
<b>Current liabilities</b>				
Current portion of finance lease liabilities	3.68	-	(3.68)	-
Current portion of lease liabilities	-	-	4.03	4.03
<b>Non-current liabilities</b>				
Finance lease liabilities	6.51	-	(6.51)	-
Lease liabilities	-	-	3.79	3.79

### Shareholders' Equity

As at December 31, 2020, the total shareholders' equity of the Company was 360.26 million Baht, increased by 169.53 million Baht from December 31, 2019 or 88.88%, representing the total debt to equity of 49.69%. The significant items were as follows:

#### Issued and Paid-up Registered Capital

As at December 31, 2020, the Company's issued and paid-up registered capital was 175.00 million Baht, consisting of 350,000,000 ordinary shares at a par value of 0.50 Baht per share, representing 24.14% of the total liabilities and shareholders' equity. It increased to 125.00 million Baht or accounting for 250.00% compared to December 31, 2019. This was because, on March 16, 2020, the Company approved the increase of the Company's registered capital of 80.00 million Baht in order to offer for sale to existing shareholders of the Company based on the rights and shareholding proportion of shareholders. The Company registered such capital increase with the Ministry of Commerce on March 27, 2020.

In addition, the Extraordinary General Meeting of Shareholders No. 1/2563 held on April 20, 2020 passed the resolution to approve the change of the Company's par value from 100 Baht per share to 0.50 Baht per share (from the registered capital of 130.00 million Baht, divided into 1,300,000 ordinary shares at the par value of 100 Baht per share, to 260,000,000 ordinary shares at the par value of 0.50 Baht) and also approve the capital increase of 45.00 million Baht to 175.00 million Baht. The Company issued 90,000,000 newly issued ordinary shares at the par value of 0.50 Baht per share for the initial public offering (IPO). The Company registered such capital increase with the Ministry of Commerce on April 27, 2020.

#### Premium on Ordinary Shares

As at December 31, 2020, the Company had the premium on ordinary shares of 73.02 million Baht, increased by 50.29 million Baht from December 31, 2019 or 221.34% due to the initial public offering (IPO).



### Cash flows, Liquidity, and Significant Financial Ratios

For the year ended December 31, 2020, the Company's net cash flow increased from the end of the year 2019 from 25.28 million Baht to 167.63 million Baht. The main reason was the cash from financing activities of 140.35 million Baht. The Company paid dividends to shareholders in the amount of 30.00 million Baht. Meanwhile, the Company received cash from the Company's capital increase of 80.00 million Baht to offer for sale to existing shareholders based on the rights and shareholding proportion of shareholders and from the fundraising through the issuance of newly issued ordinary shares valued 99.00 million Baht. As a result, the Company's current ratio increased from 1.36 times at the end of the year 2019 to 1.89 times at the end of the year 2020 and the quick ratio increased from 0.75 times at the end of the year 2019 to 1.30 times at the end of the year 2020.

Since the Company operates the business of engineering consultation and provides design-build services in accordance with the signed contracts, the Company does not have finished items as inventory. As a result, the average inventory period is not applied to the Company's cash cycle calculation.

In 2020, the Company's average debt collection period increased to 65 days and the average repayment period for its trade payables increased to 71 days. Due to the impact of the COVID-19 outbreak, the Company received the relief from some trade payables to extend the repayment period.

In 2020, the Company's return on equity ratio decreased from 18.07% in 2019 to 6.45% as a result of the decreasing workload and the delay in project bidding due to the COVID-19 outbreak. This caused the decrease in the Company's revenues and net profit.

As at December 31, 2020, the Company's debt-to-equity ratio (D/E Ratio) was 1.01 times, significantly decreased from 2.08 as at December 31, 2019, as a result of the decrease in trade payables and other payables. In addition, the Company also increased its issued/paid-up registered capital from 50.00 million Baht to 175.00 million Baht. As a result, the Company's shareholders' equity increased and the debt-to-equity ratio decreased from the end of the year 2019.

When considering the debt-to-equity ratio by using interest bearing liabilities in the calculation, it was found that, as at December 31, 2020, the Company had the interest bearing debt to equity ratio of 0.02, decreased from the previous year. Most liabilities of the Company consisted of; 1) Trade payables and other payables, and 2) Contract liabilities/contract payables.

Significant cash flows and financial ratios	Year 2019	Year 2020	Increase (Decrease)
<b>Net Cash (Million Baht)</b>			
Net cash at the beginning of the year	45.93	71.21	25.28
Cash flows from operating activities	24.22	34.84	10.62
Cash flows from investment activities	3.69	(7.56)	(11.25)
Cash flows from financing activities	(2.63)	140.35	142.98
Net cash at the end of the year	71.21	238.84	167.63
<b>Liquidity (Times)</b>			
Current ratio	1.36	1.89	0.53
Quick ratio	0.75	1.30	0.55
<b>Solvency (Times)</b>			
Debt to equity ratio	2.08	1.01	(1.07)
Interest bearing debt to equity ratio	0.05	0.02	(0.03)
Interest coverage ratio	20.77	37.83	17.06

## **REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The Board of Directors is responsible for the financial statements of Index International Group Public Company Limited and financial information presented in this Annual Report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles. The financial statements are prepared under appropriate accounting policies and applied consistently by using careful judgment and reasonable estimation. Significant information is adequately disclosed in the notes to financial statements.

The Board of Directors has provided and maintained good corporate governance and the effectiveness of risk management, internal control and supervision to be assured that the financial records are accurate, complete and adequate to protect the Company's assets and to prevent any significant operational risk.

The Board of Directors has appointed the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand to review and ensure the accuracy and sufficiency of the financial report and internal control including accurate and complete disclosure of connected transactions or transactions with possible conflict of interest. The Audit Committee's comments on these issues are included in the Report of the Audit Committee in this Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control is at a satisfying level and provides reliability on the Company's financial statements for the year ended 31 December 2020 which is in compliance with the Financial Reporting Standards and relevant rules and regulations.

On behalf of the Board of Directors of Index International Group PCL.



**(Gen. Wuttinun Leelayudth)**

Chairman of the Board of Directors



**(Dr. Chainarong Na Lamphun)**

Chief Executive Officer



## REPORT ON PERFORMANCES OF AUDIT COMMITTEE FOR THE YEAR 2020

### To Shareholders of Index International Group Public Company Limited

The Audit Committee of Index International Group Public Company Limited consists of 3 independent directors. One of them has sufficient knowledge and experiences to review the reliability of the financial statements. The list is as follows;

- |   |  |
|---|--|
| 1. Dr. Prasert Tapaneeyangkul           | Independent Director/Chairman of Audit Committee |
| 2. Assoc.Prof. Dr. Chotchai Charoenngam | Independent Director/Member of Audit Committee   |
| 3. Mrs. Nipa Markpradit                 | Independent Director/Member of Audit Committee   |

In 2020, the Audit Committee held 6 meetings to perform their duties in accordance with the scope of responsibilities specified in the Company's corporate governance policy, as follows;

No.	List of Audit Committee	Number of Meetings Held	Attendance	Percentage
1.	Dr. Prasert Tapaneeyangkul	6	6	100
2.	Assoc.Prof. Dr. Chotchai Charoenngam	6	6	100
3.	Mrs. Nipa Markpradit	6	6	100

### For the year 2020, the Audit Committee considered and reviewed important matters as summarized below;

1. To consider and review the accuracy, completeness and reliability of financial statements.

The Audit Committee reviewed the quarterly and annual financial statements of the Company together with the Management and the auditors. Auditors were inquired about the accuracy and completeness of the financial statements, the adjustment of important entries, including accounting estimates possibly affecting financial statements, sufficiency of the accounting recording method, scope of audit, and disclosure of correct, complete and adequate information. This was to ensure that the financial statements were prepared with creditability in a timely manner in accordance with the legal requirements and accounting standards based on generally accepted accounting principles. They also provided adequate information disclosure which was beneficial to users of financial statements. The Audit Committee agreed with the auditors that such financial statements were properly prepared in accordance with the Financial Reporting Standards.

2. To consider the adequacy of the internal control system.

The Audit Committee considered and reviewed to ensure that the Company provided the internal control system and internal audit that are appropriate and effective. The significant audit results of the internal auditors were considered to avoid any conflict or actions against laws, rules, and regulations of the government. Opinions and suggestions on various issues were also provided to enhance the effectiveness of the internal control system.

In 2020, the Audit Committee considered and selected Honor Audit and Advisory Company Limited (Internal Auditor) to perform internal audit and evaluation for the Audit Committee for another year. Miss Piyamas Ruengsangrob was the supervisor of the internal audit. The Audit Committee considered and was of the opinion that such internal audit supervisor had educational qualifications, work experiences, and trainings that were appropriate and adequate for the performance of duties. In 2020, the internal auditors performed their duties very well and provided suggestions to the Company for improving and operating businesses with transparency in accordance with the good corporate governance principles.

At each audit committee meeting, the adequacy of the internal control system will be considered and evaluated by inviting executives to attend the meeting according to the relevant agendas. In addition, the certified public accountants of PricewaterhouseCoopers ABAS Company Limited (Auditor) and internal auditors are also invited to attend the meeting to clarify facts, accounting audit results, internal control system audit results, and supporting evidence for each quarter. The Audit Committee considers the internal control system of the Company in 5 areas based on the guidelines of the Committee of Sponsoring Organizations of Treadway Commission (COSO) and are of the opinion that the Company's internal control system is adequate, appropriate and consistent with the internal control system adequacy assessment form in accordance with the rules of the Office of the Securities and Exchange Commission (SEC). The Company provides sufficient personnel to perform its operations in each work system efficiently which is able to prevent fraudulent use of property. The Company also establishes the supervising system that is suitable for transactions with persons possibly having conflicts and connected persons.

3. To consider, select, nominate, appoint, and propose audit fee for the year 2020.

The Audit Committee considered and selected Miss Worachanath Panyathananusorn, the Certified Public Accountant No. 8435 and/or Mr. Chanchai Chaiprasit, the Certified Public Accountant No. 3760 and/or Mr. Paiboon Tankul, the Certified Public Accountant No. 4298 and/or Miss Naphanuch Apichatsathien. The Certified Public Accountant No. 5266, from PricewaterhouseCoopers ABAS Company Limited to be the Company's auditors by considering from their qualifications and independence in accordance with the rules of the SEC, including the past performances of auditors. The Audit Committee also considered the appropriate audit fee and proposed it to the Board of Directors to further present it to the Shareholders' Meeting for approval.

4. To consider and review the compliance with laws and rules of the government sector.

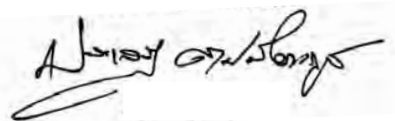
The Audit Committee reviewed to ensure that the Company complied with the laws on securities and exchange, regulations of the Stock Exchange of Thailand (SET), and laws relating to the Company's businesses. The Audit Committee was of the opinion that there was no material issue regarding the non-compliance with the law on securities and exchange, regulations of the SET and relevant laws.

5. To consider and approve reports being disclosed to supervisory authorities.

The Audit Committee considered and approved reports on duties and responsibilities of the Audit Committee, including approval of connected transactions in 2020, disclosure of related transactions, and the Audit Committee Report for the year 2020.

In summary, the Audit Committee has performed the duties and responsibilities set out in the charter of the Audit Committee by applying adequate knowledge, capabilities, due diligence, prudence, and independence, as well as provided opinions and suggestions creatively for the equal benefits of stakeholders. The Audit Committee was of the opinion that the Company's financial reports were accurate, reliable and consistent with the generally accepted accounting standards. There were appropriate and effective internal control and internal audit systems. There were no reports of any significant issues or deficiencies found in the internal control system from the auditors and the internal audit firm. In addition, the Company has complied with laws and regulations of the government sector correctly and appropriately according to the actual business situations. Connected transactions and related transactions in 2020 were appropriate, fair, and reasonable which were to protect the interests of the Company and all concerned stakeholders equally.

On behalf of Audit Committee



**Dr. Prasert Tapaneeyangkul**

Chairman of Audit Committee



# FINANCIAL STATEMENTS

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Annual Report 2020  
Index International Group Public Company Limited



## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED

### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Index International Group Public Company Limited (the Company) as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. I determine one key audit matter: Revenue recognition. The matter was 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Refer to Note 5.14 Revenue recognition and Note 7 Critical estimates and judgements.</p> <p>The Company has applied Thai Financial Reporting Standard 15: Revenue from contracts with customers (TFRS15). Recognition of the Company's revenue is complex due to several types of customers, as well as different conditions in particular contracts e.g. detailed design, project management, and detailed design construction contracts.</p> <p>I focused on this area as revenue recognition involves significant judgements and estimates from management including the following matters:</p> <ul style="list-style-type: none"> <li>• Determined whether performance obligations in each contract should be accounted for separately;</li> <li>• Chose the most appropriate revenue recognition method for each identified performance obligation;</li> <li>• Prepared budgeted cost and reviewed the stage of completion for each project, as well as considered any potential provision for project loss;</li> <li>• Allocated consideration for individual performance obligation; and</li> <li>• Assessed whether each performance obligation is satisfied at a point in time or over time; and determined whether revenue is recognised at the point in time when control transfers to a customer, or over the period of time when the degree of completion of projects and service is taken into account.</li> </ul>	<p>I carried out the following procedures to obtain evidence in relation to the Company's revenue recognition:</p> <ul style="list-style-type: none"> <li>• Discussed the Company's accounting policy, the management's key estimates and judgements with the management.</li> <li>• Evaluated the design of internal control over budgeting, and revenue and cost recognition process, and tested the effectiveness of internal controls over budgeting over the estimated total contract costs. This also included testing management's estimated costs to complete the project by inquiring the project engineer and inspecting the supporting evidence.</li> <li>• Tested the effectiveness of internal control over the revenue and cost cycle, including the stage of completion of service contracts.</li> <li>• Understood sample contracts to assess whether the revenue recognition method was appropriate in accordance with TFRS 15 and had been applied consistently. I focused on the allocation of income and cost to individual performance obligation and the timing of revenue recognition upon transfer of control of service to a customer. Where a contract contained multiple elements, I considered the appropriateness of management's judgements as to whether the contracts comprised performance obligations that should have been accounted for separately.</li> <li>• Examined sample revenues to evaluate management's significant judgements and estimates in applying the revenue recognition accounting policy to separable performance obligations of contracts over time, using the following methods:</li> </ul>



Key audit matter	How my audit addressed the key audit matter
These factors significantly affect the determination of the amount and timing of revenue from contracts with customers.	<ul style="list-style-type: none"> <li>- Tested the actual costs incurred by examining supporting evidence including certificate of completion and invoices.</li> <li>- Tested the actual costs incurred but not yet billed from sub-contractors by assessing the appropriateness of the stage of completion with the physical proportion of the contract work completed as assessed by project engineers to assess the completeness of costs recorded.</li> <li>- Assessed the appropriateness of service cost estimation by challenging the project engineers and responsible operations and examining relevant supporting evidences.</li> <li>- Tested calculations for the stage of project completion in the monthly progress report by project engineers and customers.</li> <li>- Tested calculations for revenue based on contracts value and the stage of completion.</li> </ul> <p>Based on these procedures, I found that the Company's revenue recognition conformed to the accounting policy. It was appropriate and consistent with supporting documents.</p>

### Emphasis of matter

I draw attention to Note 5.3 relating to the accounting policy for the impairment of trade receivables and contract assets which the Company has adopted the temporary exemption guidance for additional accounting options to relieve the impact from Coronavirus 2019 (COVID-19) announced by the Federation of Accounting Professions for the reporting periods ending between 1 January 2020 and 31 December 2020. My opinion is not modified in respect to this matter.

### Other information

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

My opinion on the financial statements does not cover the other information and I will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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 the audit committee 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 the audit committee 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 the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.



**Rodjanart Banyatananusard**

Certified Public Accountant (Thailand) No. 8435

Bangkok

25 February 2021

**STATEMENTS OF FINANCIAL POSITION**

INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED

As at 31 December 2020

	Notes	2020 Baht	2019 Baht
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	238,842,994	71,212,287
Financial assets measured at amortised cost		947,069	-
Short-term investments		-	706,815
Trade and other receivables, net	10	190,548,078	197,318,441
Contract assets	10	143,758,139	177,482,004
Other current assets		51,878,750	42,682,813
<b>Total current assets</b>		<b>625,975,030</b>	<b>489,402,360</b>
<b>Non-current assets</b>			
Restricted deposits at financial institutions	12	69,983,621	62,244,100
Financial assets measured at amortised cost		321,432	-
Long-term investments		-	156,209
Property, plant and equipment, net	14	15,483,701	26,705,768
Right-of-use assets, net	15	5,810,557	-
Intangible assets, net		1,118,554	1,701,441
Deferred income tax assets	16	6,316,543	6,100,760
Other non-current assets		74,905	283,136
<b>Total non-current assets</b>		<b>99,109,313</b>	<b>97,191,414</b>
<b>Total assets</b>		<b>725,084,343</b>	<b>586,593,774</b>

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

# STATEMENTS OF FINANCIAL POSITION

INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED

As at 31 December 2020

	Notes	2020 Baht	2019 Baht
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables	17	281,827,359	308,893,811
Current portion of finance lease liabilities	18	-	3,675,217
Current portion of lease liabilities	18	4,030,775	-
Contract liabilities	11	33,806,488	36,262,935
Other current liabilities		11,185,901	11,434,873
<b>Total current liabilities</b>		<b>330,850,523</b>	<b>360,266,836</b>
<b>Non-current liabilities</b>			
Finance lease liabilities	18	-	6,513,497
Lease liabilities	18	3,785,663	-
Employee benefit obligations	19	30,187,993	29,080,079
<b>Total non-current liabilities</b>		<b>33,973,656</b>	<b>35,593,576</b>
<b>Total liabilities</b>		<b>364,824,179</b>	<b>395,860,412</b>
<b>Equity</b>			
Share capital	20		
Authorised share capital			
350,000,000 ordinary shares of par Baht 0.50 each			
(2019: 500,000 ordinary shares of			
par Baht 100 each)		175,000,000	50,000,000
Issued and paid-up share capital			
350,000,000 ordinary shares of par Baht 0.50 each			
(2019: 500,000 ordinary shares of			
paid-up Baht 100 each)		175,000,000	50,000,000
Premium on share capital	20	73,015,550	22,722,340
Share-based payment reserve		50,001,855	50,001,855
Retained earnings			
Appropriated - legal reserve	21	5,935,417	5,000,000
Unappropriated		56,307,342	63,009,167
<b>Total equity</b>		<b>360,260,164</b>	<b>190,733,362</b>
<b>Total liabilities and equity</b>		<b>725,084,343</b>	<b>586,593,774</b>

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



**STATEMENTS OF COMPREHENSIVE INCOME**

INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED

For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
Revenue from services	8	573,352,786	770,994,582
Cost of services		(468,195,195)	(633,265,667)
<b>Gross profit</b>		105,157,591	137,728,915
Other income		3,456,493	2,639,124
<b>Profit before expenses</b>		108,614,084	140,368,039
Administrative expenses		(85,341,531)	(99,021,202)
<b>Profit before finance costs and income tax expense</b>		23,272,553	41,346,837
Finance costs		(1,318,236)	(1,607,837)
<b>Profit before income tax expense</b>		21,954,317	39,739,000
Income tax expense	23	(4,172,675)	(8,115,868)
<b>Net profit for the year</b>		17,781,642	31,623,132
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of employee benefit obligations, net of tax	23	431,644	80,598
Total items that will not be reclassified subsequently to profit or loss		431,644	80,598
<b>Other comprehensive income for the year, net of tax</b>		431,644	80,598
<b>Total comprehensive income for the year</b>		18,213,286	31,703,730
<b>Earnings per share</b>			
Basic earnings per share	24	0.08	0.32

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

# STATEMENTS OF CHANGES EQUITY

INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED

For the year ended 31 December 2020

		Issued and paid-up share capital Baht	Premium on share capital Baht	Share-based payment reserve Baht	Retained earnings Appropriated - legal reserve Baht	Unappropriated Baht	Total equity Baht
Notes							
<b>Balance as at 31 December 2018</b>		50,000,000	22,722,340	50,001,855	5,000,000	31,588,532	159,312,727
Effects from adoption of new financial reporting standards		-	-	-	-	(283,095)	(283,095)
<b>Balance as at 1 January 2019</b>		50,000,000	22,722,340	50,001,855	5,000,000	31,305,437	159,029,632
Total comprehensive income for the year		-	-	-	-	31,703,730	31,703,730
<b>Balance as at 31 December 2019</b>		50,000,000	22,722,340	50,001,855	5,000,000	63,009,167	190,733,362
Effects from adoption of new financial reporting standards	4	-	-	-	-	6,020,306	6,020,306
<b>Balance as at 1 January 2020</b>		50,000,000	22,722,340	50,001,855	5,000,000	69,029,473	196,753,668
Capital increase	20	125,000,000	50,293,210	-	-	-	175,293,210
Legal reserve	21	-	-	-	935,417	(935,417)	-
Dividend paid	25	-	-	-	-	(30,000,000)	(30,000,000)
Total comprehensive income for the year		-	-	-	-	18,213,286	18,213,286
<b>Balance as at 31 December 2020</b>		<u>175,000,000</u>	<u>73,015,550</u>	<u>50,001,855</u>	<u>5,935,417</u>	<u>56,307,342</u>	<u>360,260,164</u>

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

## STATEMENTS OF CASH FLOWS

INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED

For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
<b>Cash flows from operating activities</b>			
Profit before income tax		21,954,317	39,739,000
Adjustments for :			
Allowance for doubtful debt		-	3,090,257
Allowance for expected credit losses		418,590	-
Depreciation	14, 15	7,740,433	8,068,016
Amortisation		662,464	656,793
Write-off property, plant and equipment	14	42,511	66,956
Gain from disposal of plant and equipment		(758,411)	(631,649)
Write-off intangible assets		923	-
Write-off right-of-use assets and lease liabilities, net		(3,870)	-
Employee benefit obligations	19	4,551,137	9,079,606
Interest income		(678,292)	(609,819)
Finance costs		1,318,236	1,607,837
Changes in operating assets and liabilities:			
Trade and other receivables		5,630,904	98,938,630
Contract assets		40,516,231	8,552,299
Inventories		-	2,229,550
Other current assets		939,364	(2,354,030)
Other non-current assets		208,231	13,700
Trade and other payables		(27,066,452)	(108,487,056)
Contract liabilities		(2,456,447)	(24,734,094)
Other current liabilities		(248,972)	158,569
Employee benefit paid	19	(2,903,668)	(1,994,668)
Cash generated from operations		49,867,229	33,389,897
Interest paid		(1,318,236)	(1,607,837)
Income tax paid		(13,704,972)	(7,560,148)
Net cash receipts from operating activities		34,844,021	24,221,912

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

## STATEMENTS OF CASH FLOWS

INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED

For the year ended 31 December 2020

	Notes	2020 Baht	2019 Baht
<b>Cash flows from investing activities</b>			
Net increase in financial assets measured at amortised cost		(405,477)	-
Net increase in short-term investments		-	(69,617)
Net changes in restricted bank deposits		(7,739,521)	3,649,870
Net decrease in long-term investments		-	1,443,704
Payments of plant and equipment acquisition		(773,184)	(2,353,537)
Proceeds from plant and equipment disposal		758,414	631,653
Payments of intangible assets acquisition		(80,500)	(226,000)
Interest received		678,292	609,819
Net cash receipts (payments) from investing activities		(7,561,976)	3,685,892
<b>Cash flows from financing activities</b>			
Repayments of lease liabilities	18	(4,017,850)	(2,628,742)
Proceeds from capital increase	20	125,000,000	-
Proceeds from initial public offering	20	54,000,000	-
Cost of share issuance		(4,633,488)	-
Dividends paid to shareholders	25	(30,000,000)	-
Net cash receipts (payments) from financing activities		140,348,662	(2,628,742)
<b>Net increase in cash and cash equivalents</b>		167,630,707	25,279,062
Cash and cash equivalents at the beginning of the year		71,212,287	45,933,225
<b>Cash and cash equivalents at the end of the year</b>		<u>238,842,994</u>	<u>71,212,287</u>
<b>Supplementary of cash flows</b>			
Significant non-cash transactions			
Finance lease liabilities from property, plant and equipment acquisition	14, 18	-	2,261,188
Right-of-use assets and lease liabilities	15, 18	583,529	-

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

# NOTES TO THE FINANCIAL STATEMENTS

INDEX INTERNATIONAL GROUP PUBLIC COMPANY LIMITED

For the year ended 31 December 2020

## 1 General information

Index International Group Public Company Limited (the Company) is a public company limited which listed on the Stock Exchange of Thailand and resident in Thailand and the address of its registered office is as follows:

1/814 Moo17, Tambon Kukot, Amphur Lumlukka, Pathumthani

On 27 April 2020, the Company registered as a public company limited according with the Department of Business Development, Ministry of Commerce, in accordance with the Public Limited Companies Act B.E. 2535 and changed its name from Index International Group Company Limited to Index International Group Public Company Limited to conform with the transformation into a public company limited. The Company registered its share capital with the Market for Alternative Investment (“mai”) on 22 December 2020.

The principal business operations of the Company are engineering consultancy services, including detailed design services, project management services and detailed design construction.

These financial statements were authorised for issue by the Company’s authorised directors on 25 February 2021.

## 2 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

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

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 3 New and amended financial reporting standards

### 3.1 New financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 that relate and have significant impacts to the Company

#### a) *Financial instruments*

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments



The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Company to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Company whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Company to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Company has adopted the financial reporting standards related to financial instruments in its financial statements. The impact has been disclosed in Note 4.

**b) *TFRS 16, Leases***

Where the Company is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Company has adopted the new lease standard in its financial statements. The impact has been disclosed in Note 4.

**3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021**

**a) *Revised Conceptual Framework for Financial Reporting* added the following key principles and guidance:**

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

**b) *Amendment to TFRS 3, Business combinations* amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.**

**c) *Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures* amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.**

- d) *Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors* amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.
- e) *Amendment to TFRS 16, Leases* amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted. The Company has chosen not to early apply the exemption for the current reporting period.

The Company has not early adopted these standards. The management is currently assessing the impact from the adoption.

### **3.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022**

*Amendment to TFRS 16, Leases* amended to include a practical expedient for leases that are modified as a direct consequence- of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted. The Company has chosen not to early apply the exemption for the current reporting period.

The Company has not early adopted this standard. The management is currently assessing the impact from the adoption.

#### 4 Impacts from initial application of the new financial reporting standards

The Company has initially applied TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases. The new accounting policies applied from 1 January 2020 were disclosed in Note 5.3, 5.7 and 5.8

The Company has adopted those accounting policies by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

The impact of first-time adoption of new financial reporting standards on the statements of financial position are as follows:

	Reclassifications and adjustments		
	As at 31 December 2019 Previously reported Baht	TAS 32 and TFRS 9 Baht	TFRS 16 Baht
			As at 1 January 2020 Restated Baht
<b>Assets</b>			
<b>Current assets</b>			
Financial assets measured at amortised cost	-	706,815	-
Short-term investments	706,815	(706,815)	-
Trade and other receivables, net	197,318,441	(720,869)	-
Contract assets	177,482,004	6,792,366	-
<b>Non-current assets</b>			
Financial assets measured at amortised cost	-	156,209	-
Long-term investments	156,209	(156,209)	-
Property, plant and equipment, net	26,705,768	-	(7,838,654)
Right-of-use assets, net	-	-	8,887,806
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Current portion of finance lease liabilities	3,675,217	-	(3,675,217)
Current portion of lease liabilities	-	-	4,060,053
<b>Non-current liabilities</b>			
Finance lease liabilities	6,513,497	-	(6,513,497)
Lease liabilities	-	-	7,229,004
<b>Equity</b>			
Retained earnings - unappropriated	63,009,167	6,071,497	(51,191)

## 4.1 Financial instruments

The significant impact to accounting treatments from the first-time adoption of new financial standards related to financial instruments are as follows:

### 4.1.1 Classification of financial instruments

On 1 January 2020, the management has assessed which business models apply to the financial assets and financial liabilities, and has classified its financial instruments as below.

#### (a) Reclassification from short-term investments and long-term investments to financial assets measured at amortised cost

Short-term investments and long-term investments are fixed deposits that have maturity between 3 months and 12 months of Baht 706,815 and more than 12 months of Baht 156,209, respectively. The Company has classified these investments as financial assets measured at amortised cost. The Company intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

#### (b) Classification of other financial instruments

As at 1 January 2020, other financial instruments which do not change measurement method and are measured at amortised cost were as follows.

	<b>Baht</b>
<b>Financial assets</b>	
Cash and cash equivalents	71,212,287
Trade and other receivables	140,542,402
Contract assets	177,482,004
Restricted deposits at financial institutions	62,244,100
<b>Financial liabilities</b>	
Trade and other payables	307,397,629
Finance lease liabilities	10,188,714
Contract liabilities	36,262,935

### 4.1.2 Impairment of financial assets and impact on the retained earnings

The Company has following financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Contract assets
- Restricted deposits at financial institutions

The Company was required to revise its impairment methodology under TFRS 9. The impact of the change in impairment methodology was recognised to the Company's retained earnings at 1 January 2020.

While cash and cash equivalents and restricted bank deposits are subject to the new impairment requirement, the identified impact was immaterial.

*Trade receivables and contract assets*

The Company applies the simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced.

As of 1 January 2020, the Company recognised additional loss allowance of Baht 720,869 for trade receivables; and reversed loss allowance of Baht 6,792,366 for contract assets which resulted to increase the retained earnings of Baht 6,071,497.

The loss allowance for trade receivables and contract assets was determined as follows:

	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
Gross carrying amount					
Trade receivables	100,462,550	1,507,552	-	1,459,319	103,429,421
Contract assets	86,431,935	23,309,727	38,212,919	38,319,788	184,274,369
Allowance for expected credit loss	(129,302)	-	-	(1,321,227)	(1,450,529)

**4.2 Leases**

The Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The lessee's incremental borrowing rate applied to the lease was 6.25% per annum.

The right-of use assets were measured on a retrospective basis as if the new rules had always been applied.

	Baht
Operating lease commitments disclosed as at 31 December 2019	-
Add: finance lease liabilities recognised as at 31 December 2019	10,188,714
Add: adjustments as a result of a different treatment of extension and termination options	1,100,343
<b>Lease liabilities as at 1 January 2020</b>	<b>11,289,057</b>
Current lease liabilities	4,060,053
Non-current lease liabilities	7,229,004

The Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease



## 5 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

### 5.1 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts. In the statements of financial position, bank overdrafts are shown in current liabilities (if any).

### 5.2 Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

### 5.3 Financial assets

For the year ended 31 December 2020

#### *Classification*

From 1 January 2020, the Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### *Recognition and derecognition*

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

### *Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

### *Impairment*

From 1 January 2020, the Company assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables and contract assets. The Company applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss.

For the year ended 31 December 2019

### *Short-term investments*

Short-term investments comprise fixed deposits that have maturity between 3 and 12 months from the date of acquisition which are carried at amortised cost.

### *Long-term investments*

Long-term investments comprise fixed deposits that have maturity more than 12 months from the date of acquisition which are carried at amortised cost.

### *Disposal of an investment*

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

#### 5.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and improvements	5 years - 20 years
Tools and equipment	5 years
Office equipment	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and net gain or loss are recognised in profit or loss.

#### 5.5 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

#### 5.6 Impairment of assets

Assets are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

#### 5.7 Leases

##### *Leases - where the Company is the lessee*

##### For the year ended 31 December 2020

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

For the year ended 31 December 2019

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

## 5.8 Financial liabilities

For the year ended 31 December 2020

### *Classification*

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### *Measurement*

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

### *Derecognition and modification*

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/ modified, the Company assesses whether the renegotiation/ modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

For the year ended 31 December 2019

### *Borrowings*

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.



## 5.9 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### *Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 5.10 Employee benefits

### *Short-term employee benefits*

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

### *Defined contribution plan*

The Company pays contributions to a separate fund. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

### *Defined benefit plans*

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

### **5.11 Share-based payment**

The Company recognises the goods or services received or acquired in a share-based payment transaction when received the goods or services. The Company recognises a corresponding increase in equity if it is an equity-settled share-based payment transaction, or a liability if it is a cash-settled share-based payment transaction.

For equity-settled share-based payment transactions, the Company measures the goods or services received and the corresponding increase in equity at the fair value of the goods or services received. If the fair value cannot be estimated reliably, the Company will indirectly measure by reference to the fair value of the equity instruments.

For cash-settled share-based payment transactions, the Company measures the goods or services received and the liability incurred at the fair value of the liability. Until the liability is settled, the Company remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

### **5.12 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

### **5.13 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

### **5.14 Revenue recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in the course of the Company's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

The Company recognises revenue for each performance obligation satisfied over time by measuring the progress towards complete satisfaction of that performance obligation using input method by reference to the progress towards completing the works based on the latest estimate of the total value of the contract and actual completion rate determined by the percentage of cost incurred up until the reporting date relative to total estimated cost.

In case of the Company and customer have approved a change in the partial scope of the contract but have not yet determined the corresponding change in price, the Company will estimate an amount of variable consideration by using the expected value based on experience.

#### *Contract assets and contract liabilities*

A contract asset is recognised where the Company recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Company fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

#### *Financing components*

The transaction price is not adjusted for the effects of the time value of money if the contract does not include a significant financing component and for any consideration payable to the customer.

### **5.15 Dividend distribution**

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

## **6 Financial risk management**

### **6.1 Financial risk factors**

The Company may exposes to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Company treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

#### *Foreign exchange risk*

The Company has no significant exposure to foreign currency risk due to its account receivables and account payables are mainly made in Thai Baht. The Company does not use any derivative financial instruments to hedge foreign currency exposure.

#### *Interest rate risk*

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company has no significant interest-bearing assets and liabilities. The Company does not use any derivative financial instruments to manage exposure from fluctuation in interest rate on specific borrowing.

### *Credit risk*

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that contracts are made with customers who have an appropriate credit history.

### *Liquidity risk*

The Company manages sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

### *Capital management*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

## **7 Critical estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Revenue recognition*

The Company uses the percentage-of-completion method in accounting for contract work to deliver detailed design services, project management services and detailed design construction. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

### *Defined retirement benefit obligations*

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 19.

### *Determination of lease terms*

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

### *Determination of discount rate applied to leases*

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

### *Impairment of financial assets*

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

## 8 Segment information

The Company's chief operating decision-maker is Chief Executive Officer. The Company does not report operating segments due to the fact that the information internally used by the chief operating decision-maker is determined as one segment which is engineering consultancy services.

During the year ended 31 December 2020, revenues from 2 customers (2019: 2 customers) amounting to Baht 310.44 million and Baht 119.67 million (2019: Baht 513.66 million and Baht 86.71 million) represent 54.14% and 20.87% of the total revenues, respectively.

The Company disaggregated revenue recognised from contracts with customers as follow:

	2020 Baht	2019 Baht
<b>Revenue recognition over time</b>		
Contracts with defined period payments	53,339,207	83,501,807
Contracts with monthly progress payments	424,294,767	570,206,757
Contracts with defined progress payments	95,718,812	117,286,018
<b>Total</b>	<b>573,352,786</b>	<b>770,994,582</b>

## 9 Cash and cash equivalents

	2020 Baht	2019 Baht
Cash on hand	250	5,849
Short-term bank deposits	238,842,744	71,206,438
<b>Total</b>	<b>238,842,994</b>	<b>71,212,287</b>

The interest rate on bank deposits was 0.05% - 1.00% per annum (2019: 0.125% - 1.25% per annum).



**10 Trade and other receivables and contract assets****10.1 Trade and other receivables**

	<b>2020 Baht</b>	<b>2019 Baht</b>
Trade receivables	103,438,025	103,429,421
<u>Less</u> Allowance for expected credit loss (2019 Allowance for doubtful debt under TAS 101)	(1,869,119)	(729,660)
Trade receivables, net	101,568,906	102,699,761
Retention receivables	29,412,730	31,763,206
Other receivables	7,961,006	5,349,775
Prepaid expenses	47,947,407	54,280,714
Common funds	3,658,029	3,224,985
<b>Total</b>	<b>190,548,078</b>	<b>197,318,441</b>

Due to the short-term nature of the trade and other receivables which are financial assets, their carrying amounts are considered to be the same as their fair value.

**10.2 Contract assets**

	<b>2020 Baht</b>	<b>2019 Baht</b>
Costs incurred plus recognised profits	2,471,750,469	3,672,095,464
<u>Less</u> Progress billings	(2,327,992,330)	(3,487,821,094)
	143,758,139	184,274,370
<u>Less</u> Allowance for expected credit loss (2019 Allowance for doubtful debt under TAS 101)	-	(6,792,366)
<b>Total</b>	<b>143,758,139</b>	<b>177,482,004</b>

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied and will recognised in the next accounting periods is approximately Baht 359,864,274.

Contract assets are transferred to accounts receivable when the right to consideration becomes unconditional. The Company issues invoices according to period or progress defined in the contracts which typically within a year. In some cases the final stage of work billing may be postponed to longer than a year which is a normal business practice.

**10.3 Impairments of trade receivables and contract assets**

The loss allowance for trade receivables as at 31 December 2020 was determined as follows:

	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
Gross carrying amount					
Trade receivables	90,576,796	2,687,010	10,174,219	-	103,438,025
Contract assets	53,026,346	12,423,886	12,026,851	66,281,056	143,758,139
Allowance for expected credit loss	-	(104,816)	(1,764,303)	-	(1,869,119)

The reconciliations of loss allowance for trade receivables and contract assets for the year ended 31 December are as follow:

	2020 Baht	2019 Baht
<b>As at 1 January calculated under TAS 101</b>	7,522,026	4,431,769
Amounts restated through opening retained earnings	(6,071,497)	-
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 (2019 TAS 101)	1,450,529	4,431,769
Increase in loss allowance recognised in profit or loss during the year	418,590	3,396,183
Unused amount reversed	-	(305,926)
<b>As of 31 December calculated under TFRS 9 (2019 TAS 101)</b>	1,869,119	7,522,026

**11 Contract liabilities**

	2020 Baht	2019 Baht
Progress billings	2,030,347,412	324,008,528
<u>Less</u> Costs incurred plus recognised profits	<u>(1,996,540,924)</u>	<u>(287,745,593)</u>
<b>Total</b>	<b>33,806,488</b>	<b>36,262,935</b>

**12 Restricted deposits at financial institutions**

	2020 Baht	2019 Baht
Saving deposits	100,000	-
Fixed deposits		
3 - 12 months	56,772,200	49,132,100
Over 12 months	13,111,421	13,112,000
<b>Total</b>	<b>69,983,621</b>	<b>62,244,100</b>

Restricted deposits comprise of bank deposits which have been pledged as securities for bank guarantees (Note 27).

**13 Financial assets and financial liabilities**

As at 31 December 2020, classification of the Company's financial assets and financial liabilities are as follows:

	<b>Amortised cost Baht</b>
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	238,842,994
Fixed deposits between 3 months and 12 months	947,069
Trade and other receivables	140,811,761
Contract assets	143,758,139
<b>Non-current assets</b>	
Restricted deposits at financial institutions	69,983,621
Fixed deposits more than 12 months	321,432
<b>Liabilities</b>	
<b>Current liabilities</b>	
Trade and other payables	279,406,248
Current portion of lease liabilities	4,030,775
Contract liabilities	33,806,488
<b>Non-current liabilities</b>	
Lease liabilities	3,785,663

Fair value of financial assets and financial liabilities measured at amortised cost are considered to be the same as their carrying amount.

## 14 Property, plant and equipment, net

	Land Baht	Buildings and improvements Baht	Tools and equipment Baht	Office equipment Baht	Vehicles Baht	Total Baht
<b>At 1 January 2019</b>						
Cost	6,867,548	48,257,865	732,283	14,837,970	40,672,625	111,368,291
<u>Less</u> Accumulated depreciation	-	(39,871,557)	(446,967)	(10,350,469)	(30,473,279)	(81,142,272)
Net book amount	6,867,548	8,386,308	285,316	4,487,501	10,199,346	30,226,019
<b>For the year ended 31 December 2019</b>						
Opening net book amount	6,867,548	8,386,308	285,316	4,487,501	10,199,346	30,226,019
Additions	-	149,826	-	853,711	3,611,188	4,614,725
Disposals	-	(1)	(14,711)	(52,242)	(6)	(66,960)
Depreciation charge	-	(2,299,028)	(86,450)	(1,359,659)	(4,322,879)	(8,068,016)
Closing net book amount	6,867,548	6,237,105	184,155	3,929,311	9,487,649	26,705,768
<b>At 31 December 2019</b>						
Cost	6,867,548	48,080,588	700,183	15,133,103	37,322,386	108,103,808
<u>Less</u> Accumulated depreciation	-	(41,843,483)	(516,028)	(11,203,792)	(27,834,737)	(81,398,040)
Net book amount	6,867,548	6,237,105	184,155	3,929,311	9,487,649	26,705,768
<b>Adjustments from change in accounting policy (Note 4)</b>						
Cost	-	-	-	-	16,647,764	16,647,764
<u>Less</u> Accumulated depreciation	-	-	-	-	(8,809,110)	(8,809,110)
Net book amount	-	-	-	-	7,838,654	7,838,654

	Land Baht	Buildings and improvements Baht	Tools and equipment Baht	Office equipment Baht	Vehicles Baht	Total Baht
<b>At 1 January 2020</b>						
Cost	6,867,548	48,080,588	700,183	15,133,103	20,674,622	91,456,044
<u>Less</u> Accumulated depreciation	-	(41,843,483)	(516,028)	(11,203,792)	(19,025,627)	(72,588,930)
Net book amount	6,867,548	6,237,105	184,155	3,929,311	1,648,995	18,867,114
<b>For the year ended 31 December 2020</b>						
Opening net book amount	6,867,548	6,237,105	184,155	3,929,311	1,648,995	18,867,114
Additions	-	98,070	3,000	672,111	-	773,181
Disposals	-	(14)	(2)	(42,492)	(3)	(42,511)
Transfer from right-of-use assets (Note 15)	-	-	-	-	236,694	236,694
Depreciation charge	-	(2,256,413)	(77,565)	(1,366,744)	(650,055)	(4,350,777)
Closing net book amount	6,867,548	4,078,748	109,588	3,192,186	1,235,631	15,483,701
<b>At 31 December 2020</b>						
Cost	6,867,548	47,706,725	699,731	14,966,743	21,079,823	91,320,570
<u>Less</u> Accumulated depreciation	-	(43,627,977)	(590,143)	(11,774,557)	(19,844,192)	(75,836,869)
Net book amount	6,867,548	4,078,748	109,588	3,192,186	1,235,631	15,483,701



Property, plant and equipment of Baht 9,605,366 (2019: Baht 9,967,739) have been pledged for bank overdrafts and bank guarantees (Note 27).

For the year ended 31 December 2019, additions include Baht 2,261,188 assets leased under finance leases (where the Company is the lessee).

Leased assets included above, where the Company is a lessee under a finance lease are vehicles:

	2020 Baht	2019 Baht
Cost - capitalised finance leases	-	16,647,764
<u>Less</u> Accumulated depreciation	-	(8,809,110)
Net book amount	-	7,838,654

## 15 Right-of-use assets

	Equipment Baht	Motor vehicles Baht	Total Baht
Balance as at 1 January 2020 (Note 4)	1,049,152	7,838,654	8,887,806
Additions	583,529	-	583,529
Lease terminations	(34,428)	-	(34,428)
Transfer to property, plant and equipment (Note 14)	-	(236,694)	(236,694)
Depreciation	(460,228)	(2,929,428)	(3,389,656)
Balance as at 31 December 2020	1,138,025	4,672,532	5,810,557

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use and cash outflows for leases is as follows:

	2020 Baht
Expense relating to short-term leases	267,858
Expense relating to leases of low-value assets	5,000
Total cash outflow for leases	4,285,708

## 16 Deferred income taxes

The analysis of deferred income tax assets and liabilities is as follows:

	2020 Baht	2019 Baht
<b>Deferred income tax assets:</b>		
to be recovered within 12 months	3,407,567	610,912
to be recovered after 12 months	2,908,976	5,489,848
<b>Deferred income taxes, net</b>	<b>6,316,543</b>	<b>6,100,760</b>

The movements in deferred income tax assets and liabilities during the year are as follows:

	Opening balance as at 1 January 2019 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	Closing balance as at 31 December 2019 Baht	Recognised in profit or loss Baht	Recognised in other comprehensive income Baht	Closing balance as at 31 December 2020 Baht
<b>Deferred income tax assets</b>							
Allowance for doubtful debt	207,117	(207,117)	-	-	-	-	-
Allowance for impairment of investments	140,000	-	-	140,000	-	-	140,000
Leases / finance leases	-	144,743	-	144,743	(5,799)	-	138,944
Employee benefit obligations	4,419,178	1,416,989	(20,150)	5,816,017	329,493	(107,911)	6,037,599
	4,766,295	1,354,615	(20,150)	6,100,760	323,694	(107,911)	6,316,543
<b>Deferred income tax liabilities</b>							
Leases / finance leases	(249,842)	249,842	-	-	-	-	-
	(249,842)	249,842	-	-	-	-	-
<b>Deferred income tax, net</b>	4,516,453	1,604,457	(20,150)	6,100,760	323,694	(107,911)	6,316,543

**17 Trade and other payables**

	<b>2020 Baht</b>	<b>2019 Baht</b>
Trade payables	73,457,552	92,124,761
Retention payables	40,039,913	29,312,567
Other payables	25,659,731	12,525,023
Accrued construction costs	140,412,275	172,152,312
Accrued expenses	2,257,888	2,779,148
<b>Total</b>	<b>281,827,359</b>	<b>308,893,811</b>

**18 Lease liabilities / Finance lease liabilities**

The minimum lease payments of lease liabilities / finance lease liabilities are as follows:

	<b>2020 Baht</b>	<b>2019 Baht</b>
Not later than 1 year	4,670,990	4,880,449
Later than 1 year but not later than 5 years	4,277,466	7,504,162
<u>Less</u> Future finance charges on leases	<u>(1,132,018)</u>	<u>(2,195,897)</u>
Present value of lease liabilities	7,816,438	10,188,714

The present value of lease liabilities / finance lease liabilities is as follows:

	<b>2020 Baht</b>	<b>2019 Baht</b>
Not later than 1 year	4,030,775	3,675,217
Later than 1 year but not later than 5 years	3,785,663	6,513,497
<b>Total</b>	<b>7,816,438</b>	<b>10,188,714</b>

The movements in liabilities from investing activities during the year are as follows:

	<b>2020 Baht</b>	<b>2019 Baht</b>
Opening balance	10,188,714	10,556,268
Adjustments from change in accounting policy (Note 4)	1,100,343	-
Cash payment during the year	(4,017,850)	(2,628,742)
Non-cash movements		
- Lease additions	583,529	2,261,188
- Lease terminations	(38,298)	-
Closing balance	7,816,438	10,188,714

**19 Employee benefit obligations**

	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Statement of financial position</b>		
Retirement benefits	30,187,993	29,080,079
<b>Profit or loss</b>		
Retirement benefits	4,551,137	9,079,606
<b>Other comprehensive income</b>		
Remeasurements	(539,555)	(100,748)

The movement in the defined benefit obligation over the year is as follows:

	<b>2020 Baht</b>	<b>2019 Baht</b>
Opening balance	29,080,079	22,095,889
Current service cost	4,083,689	3,435,081
Past service cost	-	4,996,667
Interest cost	467,448	647,858
	<b>33,631,216</b>	<b>31,175,495</b>
Remeasurements		
Gain from change in demographic assumptions	(1,929,896)	-
(Gain)/loss from change in financial assumptions	(2,881)	2,055,704
Experience (gain)/loss	1,393,222	(2,156,452)
	<b>(539,555)</b>	<b>(100,748)</b>
Benefit payments	(2,903,668)	(1,994,668)
Closing balance	30,187,993	29,080,079

The significant actuarial assumptions used were as follows:

	<b>2020 %</b>	<b>2019 %</b>
Discount rate	1.17	1.61
Future salary increases	6.00 - 8.00	6.00 - 9.50
Resignation rate	0.00 - 12.00	0.00 - 8.00

Sensitivity analysis for each significant assumption used is as follows:

	Change in assumption	Impact on employee benefit obligations			
		Increase in assumption		Decrease in assumption	
		2020	2019	2020	2019
Discount rate	1%	Decrease by 4.24%	Decrease by 6.36%	Increase by 4.85%	Increase by 7.34%
Future salary increases	1%	Increase by 4.99%	Increase by 8.48%	Decrease by 4.49%	Decrease by 7.53%
Resignation rate	10%	Decrease by 2.26%	Decrease by 2.57%	Increase by 2.58%	Increase by 3.07%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions the same method has been applied as when calculating the employee benefit obligations recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

## 20 Share capital

	Authorised share		Issued and paid-up share		Share premium
	Share	Baht	Share	Baht	Baht
Opening balance 2019	500,000	50,000,000	500,000	50,000,000	22,722,340
Closing balance 2019	500,000	50,000,000	500,000	50,000,000	22,722,340
Increased in March 2020	800,000	80,000,000	800,000	80,000,000	-
Share conversion	258,700,000	-	258,700,000	-	-
Increased and initial public offering	90,000,000	45,000,000	90,000,000	45,000,000	54,000,000
Cost of share issuance, net of tax	-	-	-	-	(3,706,790)
Closing balance 2020	350,000,000	175,000,000	350,000,000	175,000,000	73,015,550

The Company's annual general shareholders' meeting on 16 March 2020, approved an increase of the registered share capital from Baht 50,000,000 to Baht 130,000,000 by increase number of share 800,000 shares of value of Baht 100 each. The Company fully issued and called-up shares and registered the increased share capital with the Ministry of Commerce on 27 March 2020.

The Company's extraordinary general shareholders' meeting on 20 April 2020, approved the share's conversion from 1,300,000 shares of Baht 100 each to 260,000,000 shares of Baht 0.5 each and an increase of the registered share capital of share 90,000,000 shares of value of Baht 0.5 each. The Company registered the changes with the Ministry of Commerce on 27 April 2020.

On 14 to 16 December 2020, the Company issued and called-up shares 90,000,000 shares of par value of Baht 0.5 each from an initial public offering ("IPO") at IPO price of Baht 1.10 each, totalling Baht 99,000,000. The Company registered the increased share capital with the Ministry of Commerce on 17 December 2020. The Company's shares have been traded in the Market for Alternative Investment ("mai") commencing on 22 December 2020.



**21 Legal reserve**

Under the Public Limited Companies Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. Dividend cannot be paid out of the legal reserve.

**22 Expenses by nature**

	<b>2020 Baht</b>	<b>2019 Baht</b>
Subcontractor fees	419,425,397	551,741,756
Staff costs	76,471,189	106,908,579
Depreciation and amortisation	8,402,897	8,724,809
Transportation and accommodation expenses	3,397,403	5,596,058
Professional and consultancy fees	21,352,656	26,578,584
Printing and binding expenses	4,489,092	4,380,176
Utilities expenses	1,271,249	1,856,320
Finance costs and other fees	5,952,810	5,194,245
Donation	1,383,392	1,414,741

**23 Income tax**

	<b>2020 Baht</b>	<b>2019 Baht</b>
Current income tax	4,496,369	9,720,325
Deferred income tax (Note 16)	(323,694)	(1,604,457)
<b>Total</b>	<b>4,172,675</b>	<b>8,115,868</b>

The income tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	<b>2020 Baht</b>	<b>2019 Baht</b>
Profit before income tax	21,954,319	39,739,000
Tax calculated at a tax rate of 20%	4,390,864	7,947,800
Tax effect of:		
Expenses not deductible for tax purposes	24,762	452,369
Additional expenses deductible for tax purposes	(242,951)	(284,301)
<b>Tax charge</b>	<b>4,172,675</b>	<b>8,115,868</b>

The tax relating to component of other comprehensive income is as follows:

	2020 Baht	2019 Baht
Remeasurements of employee benefit obligations (before tax)	539,555	100,748
Tax (Note 16)	(107,911)	(20,150)
Net of tax	431,644	80,598

The tax directly to equity is as follows:

	2020 Baht	2019 Baht
Cost of share issuance (before tax)	4,633,488	-
Tax	(926,698)	-
Net of tax (Note 20)	3,706,790	-

## 24 Earnings per share

	2020	2019
Profit for the year (Baht)	17,781,642	31,623,132
Weighted average number of ordinary shares outstanding after adjust effect from share's conversion (Shares)	222,404,372	100,000,000
Basic earnings per share (Baht)	0.08	0.32

## 25 Dividend

The Company's annual general shareholders' meeting on 16 March 2020, approved a dividend at Baht 60 per share amounting to a total of Baht 30,000,000 million. The Company paid dividend on 17 March 2020.

**26 Related party transactions**

Company's major shareholders are the Na Lamphun in proportion of 49.01%. The remaining 50.99% of the shares are widely held.

Additional information for transactions with related parties are as follows:

*Transactions*

	2020 Baht	2019 Baht
<b>Other related parties</b>		
Other income	-	863
Subcontractor fees	-	2,046,948
Professional and consultancy fees	-	720,000

*Key management compensation*

Key management includes directors (executive and non-executive), members of the executive committee. The compensation paid or payable to key management are as follows:

	2020 Baht	2019 Baht
Salaries and other short-term employee benefits	16,910,084	19,887,742
Post-employment benefits	1,049,613	906,945
<b>Total</b>	<b>17,959,697</b>	<b>20,794,687</b>

**27 Bank guarantees**

Banks have provided guarantees on behalf of the Company as follows:

	2020 Baht	2019 Baht
Cash received in advance	79,940,847	216,526,201
Construction contracts	144,338,935	194,753,621
Retentions	179,585,148	157,292,815
Utilities	140,000	1,076,480
Bidding	4,629,800	500,000
<b>Total</b>	<b>408,634,730</b>	<b>570,149,117</b>

Bank guarantees are secured by fixed deposits (Note 12) property, plant and equipment (Note 14) and Company's directors.



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Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1) showing in [www.sec.or.th](http://www.sec.or.th) or [www.index.co.th](http://www.index.co.th)



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