



# DEVELOPING THE FUTURE

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## Attachment

	The details appear on the company website. <a href="https://www.nawarat.co.th/shareholders-meeting/">https://www.nawarat.co.th/shareholders-meeting/</a> under the topic investor relations consists of
Attachment 1	Details of Controlling Persons and Directors of the Company's subsidiaries
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## Message from the Chairman



In 2023, the coronavirus pandemic (COVID-19) has relieved, that everyday life and travel have returned to normal or become a new normal. However, the uncertainty in the Middle East and the long period of the Russia - Ukraine war, affected the global economy accordingly. Another factor is that the Chinese economy remained worrisome. All the challenging factors have slowed economic growth. In the meantime, the Central Bank of the United States retained the interest rate hike policy to cope with the inflation rate, which resulted in a higher interest rate in Thailand. Fuel prices surged higher due to the Red Sea Crisis. According to the 28th UN Climate Change Conference of the Parties (COP28), many countries are actively stating their carbon-neutral mission, including the goal of net zero emission by using clean energies instead of fossil fuels such as coal, oil, and natural gas. The above factors have stipulated uncertainty over society and the economy globally.

In 2023, in Thailand, the intensity of the COVID-19 outbreak decreased and the new government after the election pushed the country to warm welcome tourism once again. The number of tourists increased instantly, which could drive revenue from this significant industry. The investment in infrastructure from the last government and a new project such as the “Land Bridge” project have been started. However, the high interest rate, default on debenture, and interest payment have increased financial expenses and reduced customers' ability to pay. The real

estate business struggled to reduce its backlog and hardly launched a new project with the strict approval criterion of the banks, which resulted in a low approval rate.

With the high uncertainty at the global and country levels, the Company strived to be more resilient and be able to adapt instantly through plan and strategy. Thanks to the above implementation, the Company has been able to deal with the cost of materials and labor, interest rate, and exchange rate, manage risk in terms of policy and operation, and also able to perform construction projects in accordance with the standards. As a result, the Company's revenue increased from the previous year. On the other hand, there are some uncontrollable issues such as the delay in handling the project's area, the revision of construction drawing, the higher project expense due to the higher material and labor cost, and the delay in the budget approval process from the new government after the election, which delayed the government bidding project subsequently. The above delay in bidding has caused extensive loss in the operating result.

The Company still strives “to be a leader in the construction business, progress towards valuable future and able to provide benefits to all stakeholders with care and responsibility”. This year, the Company has successfully been awarded in the bidding of new projects. Thus, the Company was able to maintain the number of backlogs that are close to the number of the year 2022,

which its favorable revenue will be continuously recognized. The Board is also committed to conducting business in accordance with the guidelines of sustainable development in terms of economy, society, and environment under the good corporate governance principle. Due to our strong commitment to running the business with transparency and in compliance with good corporate governance, the Company earned a 5-star Corporate Governance Rating and the second CAC Certification awarded for fighting against corruption.

For the direction of the Company, the Company remains its operation in the construction business, focusing on large-scale projects of the government which suit the Company's expertise, and also the projects from the private sector which is now recovering. At the same time, the Company will continue to seek work from the private sector in neighboring countries, namely Cambodia, Laos, Myanmar, and Vietnam (CLMV), which are enjoying their economic growth. The cost management, monitoring raw materials price, and sourcing labor are the factors that will be taken into account to align all factors with the demand. The risk management has covered all areas in order to balance the liquidity with the cost of funds. Furthermore, the Company has conducted the business of pre-cast concrete products manufactured with technologies from Europe and is also expanding its manufacturing capacity to meet the increased market demand in the EEC, which will be the hub for the country's economic growth. For the real estate business, the Company's strategy will focus on the demand in possible markets with a favorable growth rate. In 2023, the Company will make its pace in becoming an organization that has the potential at the international level to strengthen its foundation. The Company will partner with domestic and international partners in order to be ready for any mega projects and to be ready for future intense competition. Moreover, the Company shall develop its personnel in both technical and management aspects continuously which shall include encouraging awareness of social and environmental responsibility, since they are valuable resources and key essentials of sustainable growth.

The Board of Directors, executives, employees, and subsidiary companies of Nawarat Patanakarn Public Company Limited would like to show our gratitude to all shareholders, bondholders, business partners, customers, all related parties, public, and society for your support and trust in the Company as always. We do hope that we will continue to receive such honor, trust, and good support. Kindly believe that we will keep on our commitment and dedication to conduct business with prudence, caution, transparency, and in compliance with the principle of good corporate governance, the framework of sustainable development for the utmost benefit of all parties concerned and for becoming an organization with stable and sustainable growth in Thailand as defined in the Company's vision.

**Mr. Prasertphand Pipatanakul**  
Chairman



## Message from the Chief Executive Officer

Thailand's economic outlook for 2023 began to show signs of recovery after the COVID-19 pandemic was over, especially in the tourism industry. The manufacturing and service industries have rebounded as well. However, the election process and setting up a new government took longer period than expected, which resulted in delays in government budgets, activities, and payments. Thus, the construction industry has slightly paused. Most of the government's projects were infrastructure projects, especially in transportation segments such as rail systems, public roads, airports, and ports. Most of the projects result from the development of mega projects, including infrastructure projects to support the recovery of the tourism sector. The construction projects by private sectors continue to slightly recover particularly in residential, economic building, and manufacturing industries. The high interest rates and the strict financial loans have impacted customers' buying power, small, medium, and large organizations started to make late interest payments and redeemed the debenture, which reduced confidence among financial institutions and investors. Although it did not affect most of the financial institutions and investors, it could impact fundraising in the capital market. Nowadays, major contractors who focus on construction projects from private sectors started to compete more on government's construction projects which literally have a higher budget than the private sectors' megaprojects, even though the profit margin is lower. However, the contractor could generate revenue for multiple years due to the long-term

nature of the government's construction projects. At the same time, overseas contractors became competitive players in Thailand's market by partnering with Thai's contractors. The high competition has pushed construction prices to rise higher, including the fluctuation in raw material price, exchange rate, and higher labor costs which were affected by the high fuel price from the Middle East war, together with the Russia and Ukraine war. The interest rate tends to rise accordingly. The mentioned factors have raised the large and long construction projects to be riskier. Despite domestic construction, Thai contractors also expand their business across the country and focus on acquiring construction projects, especially in the neighboring countries. However, the expansion was still at a slower rate as most of the countries were just starting to recover from the coronavirus pandemic (COVID-19) and some countries also faced some internal conflict such as Myanmar and Laos. In addition, the new challenge of construction businesses belongs to sustainable matter which aims to achieve net zero emission throughout the manufacturing and overall operation process. The entrepreneurs need to adapt themselves to survive.

According to the above situation and diverse factors, the Company's revenue has increased from the previous year due the high volume of backlog. The Company's revenue in 2023 was 11,244 Million Baht which increased 15 percent compared with the year 2022. However, the Company also faced a net loss in a number of

1,021 Million Baht. Because of the negative factors such as the delay in handing over the construction sites, the revision of the construction drawing, the higher expense, acquisition rate of the new project was 1,564 Million Baht, which lower than expected, the delay in government transition which resulted in the delayed to receive any payment from the new projects, and the declining revenue of the Company subsidiaries.

Nevertheless, the Company foresees revenue growth from the high number of the Company's backlogs, new projects that are expected to be awarded in 2024 after the government's budget has been approved from the National Assembly of Thailand, and the new real estate projects, which have been launched since 2023. In the light of challenging in construction business, for instance, the high interest rate, the rising of materials price, the hike in fuel price, the fluctuating exchange rate, and the raise in the minimum wage could lead to a higher inflation accordingly. The Company requires to operate its business with carefulness especially in the upcoming biddings in terms of budget control, the alignment of a working process according to the contract timeline, labor management, and liquidity management in order to be ready for future operation and investment. In addition, the Company also seeks collaboration with expert partners in order to enhance the Company's capability for future biddings.

The large-scale investment projects, including a new project such as Land Bridge project, have been continuously supported by the new government. The private sectors expanded their investment portfolio particularly in industrial segment such as electric vehicle, and in commercial areas such as a giant hotel, resort, and real-estate. Thailand's public-private partnership projects (PPP projects) reflected potential growth, which will allow the Company to gain several projects in the near future. The Company's goal for the next year is to be awarded for new projects approximately 14,000 Million Baht. Furthermore, the Company has currently been handling 29,430 Billion Baht of backlogs, which its revenue will be continuously recognized in the next three years.

The Company aims to continuity enhance the sustainable growth and strives to earn higher corporate governance rating which the Company currently ranked at 5-star, by focusing on efficient management and operation in strict compliance with the best practice of good corporate governance which will be applied from the board level, management level until each of employee. For two consecutive years, the Company earned CAC certification from Thailand's Private Sector Collective Action against Corruption coalition. These awards reflected transparent and accountable operations, anti-fraud, and corruption, while encouraging fair treatment, respect of human rights, environmental conservation, and responsibility to all stakeholders, including taking part in the development of the community and society on a continuous basis.

On behalf of the Management of Nawarat Patanakarn Public Company Limited, I would like to sincerely thank all concerned parties namely employees, shareholders, business partners, customers, government agencies, private partners, stakeholders, and financial institutes for your kind help and good support for the Company's operations in various aspects for over 47 years. We ensure that the Company will professionally continue our business, adhere to the good corporate governance principles together with social responsibility and environmental protection, create works that meet the customers' highest satisfaction, focus on the benefits of all the stakeholders, and bring more value to all parties concerned in order to make the Company become one of the best construction and engineering companies and to drive all sectors to firmly and sustainably grow together.

**Mr. Polpat Karnasuta**  
Chief Executive Officer

## Board of Directors



### Mr. Prasertphand Pipatanakul

Independent Director, Chairman, Member of the Audit Committee, Chairman of the Corporate Governance Committee, and Chairman of the Code of Conduct Committee

Age: 89 years

Shareholding proportion: None

#### Meeting attendance:

- 11 of 12 Board of Directors Meetings in 2023
- 11 of 12 Audit Committee Meetings in 2023
- 1 of 1 Corporate Governance Committee Meetings in 2023
- 2 of 2 Code of Conduct Committee Meetings in 2023

First date of being director: April 28, 2009

#### Education / Training course

- Master of Business Administration, Sasin Graduate of Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering in Electrical, Chulalongkorn University
- BMD class of 5/2017
- NDC class of 1/2017
- R-CF class of 1/2017
- RCL class of 5/2016
- RCP class of 39/2016
- DCP class of 227/2016
- Finance for Non-Finance Director class of 30/2006
- DAP class of 55/2006

#### Experience

##### Present:

- Independent Director, Chairman, and Member of the Audit Committee of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies): None

### Mr. Aphichart Dharmasaroja

Independent Director, Chairman of the Audit Committee, Member of the Corporate Governance Committee, Member of the Code of Conduct Committee, Chairman of the Risk Management Committee, Chairman of the Nomination and Remuneration Committee, and the Chairman of the Corporate Social Responsibility Committee

Age: 72 years

Shareholding proportion: None

#### Meeting attendance:

- 11 of 12 Board of Directors Meetings in 2023
- 11 of 12 Audit Committee Meetings in 2023
- 1 of 1 Corporate Governance Committee Meetings in 2023
- 2 of 2 Code of Conduct Committee Meetings in 2023
- 3 of 3 Nomination and Remuneration Committee Meetings in 2023
- 3 of 3 Risk Management Committee Meetings in 2023
- 2 of 3 Corporate Social and Environmental Responsibility Committee Meetings in 2023

First date of being director: April 28, 2009

#### Education / Training course

- MBA in Marketing, Finance and International Business, Northwestern University, U.S.A.
- Master of Engineering in Soil Engineering, Asian Institution of Technology
- Master of Engineering in Civil Engineering, Chiang Mai University
- AACP class of 34/2019
- Director Forum class of 1/2009
- DAP class of 64/2007
- DCP class of 93/2007

#### Experience

##### Present:

- Independent Director and Chairman of the Audit Committee of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies): None



## Mr. Tajtai Tmangraksat

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

Age: 67 years

Shareholding proportion:

264,910,285 shares as of December 31, 2022

Meeting attendance:

- 6 of 6 Board of Directors Meetings in 2023
- 6 of 6 Audit Committee Meetings in 2023
- 1 of 1 Nomination and Remuneration Committee Meetings in 2023

First date of being director: July 18, 2023

Education / Training course

- Bachelor of Law, Chulalongkorn University
- Master of European Community Law, Belgium

Experience

Present:

- Independent Director and Member of the Audit Committee, Nomination and Remuneration of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies): None

## Mr. Polapat Karnasuta

Director, Member of the Corporate Governance Committee, Member of the Nomination and Remuneration Committee, Member of the Executive Committee, and Chief Executive Officer

Age: 64 years

Shareholding proportion:

264,910,285 shares as of December 31, 2023

Meeting attendance:

- 12 of 12 Board of Directors Meetings in 2023
- 1 of 1 Corporate Governance Committee Meetings in 2023
- 3 of 3 Nomination and Remuneration Committee Meetings in 2023

First date of being director: April 19, 2007

Education / Training course

- Bachelor of Business Administration, Oregon University, U.S.A
- Advance Master of Management Program (AMM) class of 5/2020
- BNCP class of 3/2018
- DCP class of 229/2016
- DAP class of 7/2004

Experience

Present:

- Director and Chief Executive Officer of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies):

- Director of Mana Patanakarn Company Limited
- Director of Banpulom Company Limited
- Director of C.I.N Estate Company Limited
- Director of VSPN Property Company Limited
- Director of Bua Company Limited
- Director of Tanina Company Limited
- Director of E.G.G. Enterprise Company Limited



## Miss Pakatip Lopandhsri

Director, Member of the Corporate Governance Committee, Member of the Code of Conduct Committee, Member of the Risk Management Committee, Member of the Executive Committee, and the Company's Secretary

Age: 67 years

Shareholding proportion: 109,177 shares as of December 31, 2023

### Meeting attendance:

- 12 of 12 Board of Directors Meetings in 2023
- 1 of 1 Corporate Governance Committee Meetings in 2023
- 3 of 3 Nomination and Remuneration Committee Meetings in 2023
- 3 of 3 Risk Management Committee Meetings in 2023

First date of being director: January 1, 2017

### Education / Training course

- Master of Business Administration, Saint Louis University, U.S.A.
- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University
- BFI class of 7/2019
- R-CSF class of 1/2019
- DCP class of 238/2017
- Advance for Corporate Secretaries class of 1/2017
- R-RA class of 1/2016
- Mini MBA/2012
- Fundamental Practice for Corporate Secretary (FPCS26)/2012
- Annual Accounting Training and other related topics as a bookkeeper (12 hours/year)

### Experience

#### Present:

- Director, Senior Vice President of Finance and Administration Department, and Company's Secretary of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies): None

## Mr. Sook Sueyanyongsiri

Director, Member of the Corporate Governance Committee, Member of the Code of Conduct, Member of the Risk Management Committee, Member of the Corporate Social Responsibility Committee, and Consultant to Chief Executive Officer

Age: 70 years

Shareholding proportion: None

### Meeting attendance:

- 11 of 12 Board of Directors Meetings in 2023
- 1 of 1 Corporate Governance Committee Meetings in 2023
- 2 of 2 Code of Conduct Committee Meetings in 2023
- 3 of 3 Risk Management Committee Meetings in 2023
- 3 of 3 Corporate Social and Environmental Responsibility Committee Meetings in 2023

First date of being director: April 11, 2009

### Education / Training course

- Master of Engineering, Asian Institute of Technology
- Bachelor of Engineering in Civil Engineering, Chulalongkorn University
- DAP class of 35/2005
- DCP class of 228/2016

### Experience

#### Present:

- Director and Consultant to Chief Executive Officer of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies):

- Director of Advance Prefab Company Limited
- Director of Mana Patanakarn Company Limited



## Mr. Mongkol Peerasarntikul

Director, Member of the Corporate Governance Committee, Member of the Risk Management Committee, Member of the Executive Committee, and President

Age: 69 years

Shareholding proportion: None

### Meeting attendance:

- 12 of 12 Board of Directors Meetings in 2023
- 1 of 1 Corporate Governance Committee Meetings in 2023
- 2 of 2 Code of Conduct Committee Meetings in 2023
- 3 of 3 Risk Management Committee Meetings in 2023

First date of being director: April 26, 2018

### Education / Training course

- Bachelor of Engineering in Civil Engineering, Chiangmai University
- DCP class of 249/2017

### Experience

#### Present:

- Director and President of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies): None



## Mr. Apathorn Karnasuta

Director, Member of the Corporate Governance Committee, Member of the Code of Conduct Committee, Member of the Executive Committee

Age: 54 years

Shareholding proportion: 9,953,573 shares as of December 31, 2023

### Meeting attendance:

- 12 of 12 Board of Directors Meetings in 2023
- 1 of 1 Corporate Governance Committee Meetings in 2023
- 2 of 2 Code of Conduct Committee Meetings in 2023

First date of being director: April 28, 2021

### Education / Training course

- Bachelor Degree in Marketing Wagner College U.S.A

### Experience

#### Present:

- Director of Nawarat Patanakarn Public Company Limited
- Senior Vice President of Procurement & Transportation Department
- General Manager

Other listed companies: None

Other companies (non-listed companies): None



## Mr. Sarunthorn Chutima

Director, Chief of the Executive Committee

Age: 65 years

Shareholding proportion: None

Meeting attendance:

- 1 of 2 Board of Directors Meetings in 2023

First date of being director: November 14, 2023

Education / Training course

- Master of Business Administration, Ohio University, Athens, U.S.A
- Bachelor Degree in Accounting of Chulalongkorn University
- Executive Program , Massachusetts Institute of Technology

Experience

Present:

- Director of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies): None

## 1. Structure and Business Operation

### 1.1 Policy and Business Overview

Nawarat Patanakarn Public Company Limited has provided construction services and manufactured pre-stressed concrete piles since 1976. In 1995, it was changed to a public company limited and changed its name from Nawarat Patanakarn Company Limited to Nawarat Patanakarn Public Company Limited. On February 17, 1995, the Company increased its capital and registered its paid-up capital to the amount of 500 Million Baht by offering its shares to the public and proposed to be listed on the Stock Exchange of Thailand on August 31, 1995. On September 27, 1995, the Company was incorporated as a listed company in the Stock Exchange of Thailand. As of December 31, 2023, the Company had a registered capital of 2,585,481,515 Baht and the paid-up capital of 2,585,481,515 Baht.

#### - Construction contracting business

Nawarat Patanakarn Public Company Limited is involved in the construction contracting business providing construction services to the government sectors, state enterprises, as well as private sectors. It undertakes works of construction as a main contractor, a sub-contractor, or through a joint venture business. The Company is considered a leading contractor by several entities; for example, it has been designated a Category 1 A contractor by the Department of Highways having the right to make bids in all sorts of road construction for the Department regardless of the distance and price. Also, the Company has already registered with various government agencies such as the Royal Irrigation Department, Public Works Department, Communication Authority of Thailand, Metropolitan Waterworks Authority, and Provincial Waterworks Authority. The Company acquires construction projects by way of bidding and direct contact with the project owners, with its reputation and impressive track record being the main factors in building its customers' trust. At present, it can undertake various types of work including:

- Buildings, warehouses and industrial Plants
- Utilities and civil works
- Ports, berths and jetties
- Power plants, electricity generating dam
- Wastewater treatment system and wastewater treatment plants
- Tunneling and pipe jacking works
- Construction of electrical railway transportation system

#### - Pre-stressed concrete piles and precast concrete products business

The Company established its pre-stressed concrete product factories to supply its construction projects and also sell to the public by bidding and direct employment. The Company's products include concrete pile, pre-stressed concrete piles, pre-stressed concrete girders and precast concrete pipes for construction of wastewater treatment projects, parapets, concrete pre-cast slabs and sheet pile to protect from land subsidence, with the ratio of production for supplying its own projects to that for selling to the others being 67: 33 in year 2021, 22: 78 in year 2022, and 56: 44 in year 2023.

- **Steel structure fabrication business**

The Company has manufactured fabricated steel products for supplying its construction projects and selling to others, with the ratio of production for supplying its own projects to that for selling to others being 89: 11 in year 2021, 95: 5 in year 2022, and 71: 29 in year 2023.

- **Petrol station**

The Company established a Shell Petrol Station in an area of 4-0-1 rai and applied for permission for sale of oil under the Shell brand on behalf of Nawarat Patanakarn Public Company Limited on November 8, 2016. The station started its services on December 15, 2016. This is an oil retail business taking the form of manual retail supply agreement known as "Pump Dow" selling both fuel oil and lubricating oil products. The station registered the business at Samutprakarn Provincial Administration Organization on February 1, 2017 and registered with Department of Energy Business as a Petrol Service Station Type A in compliance with Section 17(3) of the Fuel Control ACT B.E. 1999.

### 1.1.1 Vision, Objectives, Goals, and Operational Strategies

#### Vision

A corporate with passion to grow as a leader in construction and diversified promising business based on valuable contribution to the prosperity and social responsibility of all.

#### Mission

1. Perform S.M.A.R.T. Specific; Measurable; Applicable; Realistic; Timely
2. Comprehensively conduct construction and other business with integrated values and have stable profitability
3. Manage business professionally with modern technology for sustainable growth
4. Operate with perseverance and with high competency under international standards and timely delivery
5. Manage business under the corporate governance principle and operate with integrity under the code of conduct to all stakeholders
6. Occupational health and safety are fundamental values of our organization on which we remain dedicated to further raise awareness and commitment at all levels
7. Recognize the importance of the employees as human capital, encourage development of competency and cooperation among employees at all levels by establishing tangible motivation systems giving opportunity and empowering young professionals to achieve aspired career
8. Continuously adhere to comply with social and environmental responsibility

#### Goal

We will be a continually profitable and sustainable company which is one of the dependable leaders of the industry.

The Company reviews its vision, objectives, goals, and operational strategies on a yearly basis in order to align with the changes in society and economic situation. Moreover, the revision will help the Company to manage risk which allow the Company to operate smoothly and be ready for future investment and operation.

In 2023, the new Business & Strategic Planning Department has organized a quarterly meeting among working units in order to review the business strategies, the executives and employees participated in making the plan. In addition, there are workshops by an external expert who can provide further knowledge. The mentioned activities could facilitate working units to initiate and propose strategies to the annual meeting of business strategies towards Directors and executives.

## 1.1.2 Significant Changes and Developments

### History

Nawarat Patanakarn Public Company Limited has conducted construction business and produced pre-stressed concrete piles since 1976. Currently, the Company principally operates as a construction contractor providing all types of civil engineering construction services and manufacturing pre-stressed concrete piles, other kinds of concrete products and processed steel used in its construction businesses and for sale.

- Nawarat Patanakarn Public Company Limited was registered on May 31, 1976 with the initial registered capital of 4 Million Baht and gradually increased its capital.
- In 1995, the capital increase registration was made from 400 Million Baht to 500 Million Baht by way of shares held by domestic and overseas investors.
- On September 27, 1995, the Company was incorporated as a listed company on the Stock Exchange of Thailand. The Company changed its registered capital during the previous 5 years as follows:
  - In 2012, the Company has its registered capital of 2,217,950,679 Baht with paid-up capital of 1,552,901,243 Baht.
  - In 2013, the Company has its registered capital of 2,221,587,311 Baht with paid-up capital of 1,974,801,416 Baht.
  - In 2014, the Company has its registered capital of 2,812,221,856 Baht with paid-up capital of 2,585,481,515 Baht.
- As at December 31, 2023, the Company has its registered capital of 2,585,481,515 Baht with paid-up capital of 2,585,481,515 Baht divided into 2,585,481,515 ordinary shares at the par value of 1 Baht per share.
- On November 9, 2022, the Company issued unsubordinated, and unsecured debentures no. 1/2022, with a total value of 500 Million Baht, with a debenture holders' representative offered to institutions and high net worth investors. The 2 years debentures with an interest rate of 6.90 percent per year and payable every 3 months, will reach its maturity on November 9, 2024. The purpose of issuing the debenture is to use it as working capital.
- On May 12, 2023, the Company issued unsubordinated, and unsecured debentures no. 1/2023, with a total value of 412 Million Baht, with a debenture holders' representative offered to institutions and high net worth investors. The 2 years debentures with an interest rate of 6.95 percent per year and payable every 3 months, will reach its maturity on May 12, 2025. The purpose of issuing the debenture is to use it as working capital and to repay debts to creditors of loans from financial institutions and unrelated parties.

The requirement for the issuance of debenture as stated in the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders is that the Company is required to “maintain Net Debt to Equity ratio” at the rate not more than 3.5:1 at the end of the quarter and year-end period throughout the debenture period. Currently, the Company has Net Debt to Equity ratio at the rate of 2.80. “Net Debt” refers to the total liabilities only with the interest-bearing debt, deducted by cash and cash equivalents. “Equity” refers to the share equity of the debenture issuer. The Net Debt to Equity ratio was calculated with the figure on the Company's consolidated financial statements.

### 1.1.3 Use of Proceeds from Fundraising Activities

#### Debentures

The Company has issued 2 debentures, which are debenture No. 1/2022 with a total value of 500 Million Baht, and debentures No. 1/2023 with a total value of 412 Million Baht. Both of the debentures are 2 years unsubordinated, and unsecured debentures, which will reach its maturity on November 9, 2024 and May 12, 2025, respectively. The interest rate of debentures is 6.90 percent per year and 6.95 percent per year respectively. Payments of interest are made every 3 months. According to the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to follow some conditions such as a limitation on the use of assets and maintaining the Net Debt to Equity ratio at a specific level.

#### The purposes of issuing and offering two debentures

The usage of proceeds	The estimated amount of proceeds to be used (Baht)	The estimated period for proceeds usage	Details
To be used as working capital	500,000,000	Within 120 after receiving the proceeds from the debenture offering	The issuer will use the fund from issuing debentures for working capital which will enhance the Company's liquidity.
To be used as working capital and to repay loans from financial institutions and unrelated parties.	412,000,000	Within September 2024	The issuer will use the fund from issuing debentures for working capital which will enhance the Company's liquidity, and will reserve the fund to repay debts to creditors of loans from financial institutions and unrelated parties.

The issuance of debentures has been made under Thai laws.

### 1.1.4 Pledge of Securities in the Registration Statement Form and/or Approval Criteria (if any) and/or Criteria to list securities of SET (if any)

Pledge of securities for Nawarat Patanakarn Public Company Limited's unsubordinated, and unsecured debentures No. 1/2022 and No. 1/ 2023 are subjected to the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders.

## 1.1.5 Company Information

### Head office

Location	Bangna Towers A, 18 <sup>th</sup> -19 <sup>th</sup> Floor, No. 2/3 Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	
Company Registration Number	0107538000096	
Registered Capital	2,585,481,515 Baht with paid-up capital of 2,585,481,515 Baht divided into 2,585,481,515 ordinary shares at the par value of 1 Baht per share	
Website	www.nawarat.co.th	
Telephone	(662) 730-2100	
Fax	(662) 751-9484 to 90	
Company's Secretary	Miss Pakatip Lophansri	Tel. (662) 730-2197
Investor Relations Division	Mr. Pasan Swasdiburi	Tel. (662) 730-2195

### Branch offices

Location	1796 Bangna-Trad Road, Bangna, Bangkok
Location	329 Moo 5, Srisa Chorakhe Yhai, Bang Sao Thong, Samutprakarn

### Pre-stressed concrete piles, pre-cast concrete products and processed steel plant

Location	1796 Bangna-Trad Road, Bangna, Bangkok
Location	53/4 Moo 9, Prong Akat, Bang Nampreaw, Chachoengsao

### Pre-cast concrete jacking pipes and pre-cast concrete shaft plant

Location	31/13 Rama II Road Km. 33.5, Bang Krachao, Muang District, Samutsakhon
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### Shell petrol station by Nawarat Patanakarn Public Company Limited

Location	329 Moo 5, Srisa Chorakhe Yhai, Bang Sao Thong, Samutprakarn
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## 1.2 Nature of Business Operations

### 1.2.1 Revenue Structure

Nawarat Patanakarn Public Company Limited primarily conducts construction business including pre-stressed concrete piles, pre-cast concrete products, processed steel, real estate development service, and petrol station. Revenues have been divided into operation categories as per the consolidated financial statements of the Company.

Revenue type	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Construction business	10,365	92.18	11,971	90.37	9,889	88.19
Sale of real estate and services	312	2.78	529	3.99	760	6.78
Concrete products business	322	2.86	529	3.99	273	2.43
Petrol station business	53	0.47	69	0.52	165	1.47
Interest income	40	0.36	7	0.05	4	0.04
Other revenues	152	1.35	142	1.08	122	1.09
Total revenues	11,244	100.00	13,247	100.00	11,213	100.00

### Separation of income in 2023

1. Income from the construction business in the total amount of 10,365 Million Baht. This consists of the Company's own income of 9,734 Million Baht, an income of Utility Business Alliance Company Limited of 527 Million Baht, and income of Advance Prefab Company Limited of 104 Million Baht.
2. Income from the sale of real estate and services in total amount of 312 Million Baht consisting of the portion of Mana Patanakarn Company Limited in the amount of 189 Million Baht, and the portion of Taste Maker Company Limited from the sale of instant food and restaurant business of 112 Million Baht, and the rest portion of 11 Million Baht belongs to the Company's processed steel factory.
3. Income from concrete products manufacturing business in the total amount of 322 Million Baht, which totally contributed by Advance Prefab Company Limited.
4. Income from the petrol station business which is owned by the Company in amount of 53 Million Baht.
5. Income from gained interests, such as the gained interest from financial institutions, joint ventures and other companies.
6. Others incomes, i.e. administrative expenses, utilities cost and profits from sale of assets.

## 1.2.2 Product Information

(1) Characteristics of products and services are as mentioned in the topic No. 1.1 Policy and Business

### Overview

(2) Market and Competition

#### 1. Marketing strategies

**Important competitive strategies:** Nawarat Patanakarn Public Company Limited has conducted its business for many years. The Company has enjoyed its experiences and expertise in many different types of construction works with its experienced and qualified personnel and plenty of equipment and machinery. These enable the Company to be able to fully support various types of construction works both from the government and private sectors.

**Strength:** Nawarat Patanakarn Public Company Limited has the capacity to execute multiple types of works. The Company has experience and expertise in civil engineering works, such as roads, bridges, expressways, power plants, buildings, industrial plants, ports, hydroelectric dams and underground tunnels, etc. which enable the Company to continuously execute works. In case any types of construction work have dropped, the Company can maintain its business by undertaking other types of works. In addition, the Company possesses sufficient equipment, machinery, and personnel thus ready to execute mega-projects and has good relationship with customers and sub-contractors; which make the Company create great opportunities to get new projects from them.

**At present,** the Company is expertise in the construction of large-scale utilities, such as roads, expressways, bridges, large-scale wastewater treatment systems, hydroelectric dams, ports, large-scale tunnels, with many projects being in progress of execution utilizing lots of machinery and equipment.

**Weakness:** Nawarat Patanakarn Public Company Limited has invested in machinery and equipment which are appropriate for executing large-scale projects. These make the Company bears higher costs and operational expenses than small contractors, if the Company obtained small-sized projects (which is not the current policy of the Company). Moreover, the mega-projects generally specified the requirement of the contractors' qualifications, especially experiences and sources of fund. For example, when awarded with large-scale utilities that domestic contractors have never had experience with before, the Company may have to cooperate with foreign companies or specialists in execution of such projects which causing the Company to have higher costs and expenses on operation and management.

**Target customers:** The customers of the Company are from the government and private sectors. The target groups of customer of the Company are those from the government sector including state enterprises both domestic and international, especially governmental works receiving financial support from the Bank of Economic Development or the World Bank for construction of utilities such as roads, expressways, power plants, wastewater treatment systems, etc.

**Pricing policy:** When quoting price for each construction project and for precast concrete piles, calculation will be based on cost and expenses of the project and will have to secure gross profit of 10-15 percent according to the project type and the competitive condition.

**Investment:** The Company expands its investments in businesses related to the Company's current business and other construction projects generating good outcomes in order to optimize the Company's growth and returns on investment both in short and long terms. However, the Company always seeks for an opportunity to invest and expand its business. The Company would carefully study before investing such as investing in Taste Maker Company Limited, the company which operates food and restaurant business

**Human resources development:** Develop knowledge and ability of employees to have competitive potential as well as ethics to conduct business and improve management structure to suit and facilitate future development and expansion.

**Marketing aspect:** Encourage potential of proactive marketing by using the Company's network and information system. Create good relationships with customers by treating them with high responsibility and good planning to deliver on-time and good quality work. Expand the scope of business to work overseas, especially in Asia and the Middle East. For domestic works, still focus on works from the government sectors such as construction of roads, bridges, water transmission tunnels, power plants, wastewater collection, and treatment system. In addition, the Company operates the manufacturing plants for concrete products and processed steel; this helps the Company to reduce construction costs and to be able to control the quality of the product to be used.

**Production and services:** Nawarat Patanakarn Public Company Limited manufactures and provides quality products and services with the concern of maintaining leadership of quality with no environmental and social impact. The Company also keeps seeking for new technologies to facilitate construction works and for systematic management, to prevent any negative impact on the environment, and to comply with the law on environmental protection as stated in the Company's policy.

**Use of technologies:** Use modern technologies for construction and manufacture concrete products to be used as materials for construction and to reduce cost in long term.

## 2. Sale and distribution channels:

In acquiring construction works, the Company will directly contact the employers either through tendering or negotiation whereas the Company would buy the bidding documents and make a calculation for price proposal in accordance with the requirements. Sometimes, the Company would get a contact from an employer, a designer, or a work supervisor due to its experience, apparent reputation in experience, potential to operate works, and quality of the preceding works that allows the employer to trust in the Company and let the Company offer more services.

**Distribution of concrete piles:** The Company would directly contact the employer either through tendering or negotiation, in the same practice as acquiring construction works. The deal may be limited only to supplying and driving piles or performing partial work of the project. In addition, the Company also conducts direct sales to purchasers and contractors in accordance with their required specifications. In this way, the Company would start manufacturing the products upon receiving the purchase order and the specifications from customers, since their required products may need to be manufactured in a specific size and weight tolerance.

**Distribution of processed steel:** The Company mainly manufactures processed steel for use in its own construction works, for example, the steel structure of beams for bridges or the structure work for large buildings in order to reduce the construction cost. Normally, in the past three years, the proportion of manufacturing for its own usage and sale was 85:15. However, in case there is sufficient capacity, the Company would manufacture the products as per the order, requirement, and standard of customers.

## 3. Nature of customers:

Nature of customers and relationship between customers and the Company or its subsidiaries can be divided as follows:

**Construction services:** the group of customers consists of:

1. Private sectors consist of the following types of work: office buildings, industrial plants, shopping malls, real estate projects, etc.
2. Public sectors consist of government agencies and state enterprises such as the Department of Highway, the Electricity Generator Authority of Thailand (EGAT), Bangkok Metropolitan Administration (BMA), etc.

The revenue proportion between the private and Government sectors is as described below:

Year 2021

Private Sectors	28 percent of total revenues
Government Sectors	72 percent of total revenues

Year 2022

Private Sectors	22 percent of total revenues
Government Sectors	78 percent of total revenues

Year 2023

Private Sectors	3 percent of total revenues
Government Sectors	97 percent of total revenues

During the current economic situation, the Company believes that the income from the government sectors will be increased since the government is highly focused on the construction of utilities and infrastructure. Customers from the government sectors are the Bangkok Metropolitan Administration (BMA), the Department of Highway, the Electricity Generator Authority (EGAT), public universities, public hospitals, state enterprises, etc. Customers from the private sectors consist of industrial factories, hotels, real estate development projects, etc.

**Sales of pre-stressed concrete piles and concrete products:** The Company's customers for the sale of pre-stressed concrete piles and concrete products can be divided to both private and public sectors, similar to the construction services. For example, our main customer in the government sectors is the Electricity Generator Authority of Thailand (EGAT). In addition, some concrete products are produced for using in construction projects executed by the Company itself.

**Sale of processed steel:** Like the construction services, the Company's customers for the sale of processed steel are both the private and the government sectors, customers from the government sectors are the Department of Highway, the Department of Public Work, the Electricity Generator Authority of Thailand (EGAT), etc. In addition, the processed steel is also mainly used for projects executed by the Company itself.

**Debt Collection Policy:** In case any customer does not make payment in a timely manner, the Company shall calculate the interest for the delayed payment based on the payment due date. This standard is obliged to be applied for accounts receivable of both normal accounts receivable and the Company's related parties. However, due to the current economic circumstance, the Company conceded not to charge the interest from some accounts receivable with a trivial late payment, excluding those receivables who have been under prosecutions litigation process for debt repayment.

When considering accounts receivable for unrelated parties, the Company has 12-month overdue accounts receivable before the deduction of doubtful debts as at December 31, 2021 of 128 Million Baht, December 31, 2022 of 151 Million Baht, and December 31, 2023 in the amount of 168 Million Baht.

The Company recorded the doubtful debts of all accounts receivable who have overdue payment for more than one year according to the Company's criteria and policy.

#### Summary of reserves recordings for doubtful debts

Unit: Million Baht

Transactions	2023	2022	2021
Payment receipt from account receivables who were recorded for doubtful debts (reversed bad debts)	0.20	0.18 (651.43)	1.38
Additional record of periodic doubtful debts	7.28	18.70	41.63

The first three accounts receivable with the highest balances as of December 31, 2022 namely:

1) Bangkok Drainage Office receivable balance as of 31 December 2022 is equal to 296.83 million baht, consisting of

- N.505 Construction of Manhole and Underground Duct Bank in conjunction with the MRT Yellow Line Project at the Intersection of Ratchada Ladprao to Soi Lat Phrao in the amount of 5 Million Baht.
- N.506A Construction of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project at Khae Rai Intersection in the amount of 46 Million Baht.
- N.517A Construction of MRT Pink Line station (Khae Rai- Min Buri) in the amount of 37 Million Baht.
- N.518A Construction of Structure and Architecture of the MRT Yellow Line Monorail at Lad Phrao-Samrong in the amount of 74 Million Baht.
- N.538 Tunnel Construction Project, Underpass Phatthanakan Intersection MRT Yellow Line Project at Lad Phrao-Samrong in the amount of 6 Million Baht.

2) The receivable balance of State Railway of Thailand as of December 31, 2023 was 82 Million Baht which consists of:

- N.545 Cooperation Project between Thailand and the Republic of China for Development of High-Speed Rail System to Connect Regions Bangkok- Nong Khai, Phase 1 Bangkok- Nakhon Ratchasima, in the amount of 82 Million Baht.

3) The receivable balance of Bangkok Drainage Office as of 31 December 2023 was 52 million baht, consisting of

- N.567, Water Drainage Tunnel in Khlong Thawi Watthana Project in the Bottleneck Area in the amount of 52 Million Baht.

Duration of debt collection: For the governmental sector, payments will be made in accordance with the criteria stipulated by each Government agency, approximately 45 - 60 days. For the private sector, the Company established the condition for payment to be made within 30 days. Currently, the Company's customers arrange payments in accordance with the defined terms of payment or sometimes a little bit of delay with an acceptable rationale. However, the debtors from the private sector, some of them have not made an overdue payment for some construction projects for which the work has already been delivered, due to the lack of their liquidity, the Company has still continued following up on their payment. In case such overdue payments have not been made for a certain period of time, the Company will file lawsuits against the debtors to recover such debts.

#### 4. Competitive condition within the industry:

The construction industry is viewed as a highly competitive market. The competition is both among Thai contractors and also among Thai and foreign contractors. Due to the economic downturn in recent years, a lot of small-scale contractors have had to quit operating their businesses while at the same time, the amount of domestic construction is starting to increase. In addition, there are unfavorable factors for conducting the business. For example, the rigidity of financial institutions in granting loans has made contractors face the problem of financial liquidity and the prices of construction materials have a tendency to increase as a result construction costs will increase as well.

For acquiring construction works from both the government and private sectors, the Company usually uses the method of tendering in which a suitable contractor who makes the lowest price proposal and has the qualifications as required would be selected. Provided more than one contractor is participating in the price proposal session, the project owner would have more chances to select the most favorable contractor. On the other hand, contractors themselves also have a chance to select their desired project and make the price proposal. Since it is a free market, the employers and the contractors have the right to negotiate. However, the project owner would be the one who defined the qualifications of the contractors qualified to participate in the bidding session and has the discretion to select any contractor that meets the required criteria.

From the competitive condition, the Company that is able to accept various kinds of work and has experience and expertise in several working areas would be considered as having more advantages than any other company. Moreover, if the amount of construction work of any type is decreased, then the Company may be able to acquire any other type of work instead. The important factor is to carry out work within the limitation of the timeline.

### **(3) Procurement of Products or Services**

Production: For the construction business, a construction site will be located at the project area in which the Company is performing work. For the production business of pre-stressed concrete products and processed steel, the Company has three supporting plants, one located on Bangna-Trad K.M. 4, one located in Bangnampriew District, Chachoengsao (the plants for manufacturing of processed steel and pre-stressed concrete steel are located in the same area) and another one located on Rama 2 Road, Muang District, Samutsakorn for manufacturing concrete pipes.

#### **1. Manufacturing capacity and production volume**

Construction contracting business: The Company's productivity is limited by

1. Number of personnel who specialized in specific working areas such as skilled labor, especially construction laborers of special types/architectural workers
2. Amount of investment funds
3. Number of equipment and machinery

At present, Nawarat Patanakarn Public Company Limited is able to be responsible for 50 projects at the same time, with an average project value of 800 Million Baht. However, it depends on the type of work, personnel, equipment, machinery, and investment funds to support the projects.

Manufacture of pre-stressed concrete piles and concrete products:

	2023 cu.m/year	2022 cu.m/year	2021 cu.m/year
<b>Productivity *</b>			
- Bangna-Trad Plant, KM 4	30,000	30,000	30,000
- Bangnampriew Plant, Chachouengsao	48,000	48,000	48,000
- The manufacturing plant for concrete pipe and precast concrete products (Mahachai)	20,000	20,000	20,000
<b>Total</b>	<b>98,000</b>	<b>98,000</b>	<b>98,000</b>
<b>Actual production</b>			
- Bangna-Trad Plant, KM 4	7,134	12,864	10,200
- Bangnampriew Plant, Chachouengsao	15,110	20,509	14,774
- The manufacturing plant for concrete pipe and precast concrete products (Mahachai)	7,189	8,749	9,333
<b>Total</b>	<b>29,433</b>	<b>42,122</b>	<b>34,307</b>
Percent of productivity	30.03	42.98	35.01
Percent of increase(decrease) of production	(30.12)	22.78	(49.57)

**Remark:** \* Productivity means the highest capacity or ability to manufacture concrete piles in standard size. However, normally, piles are manufactured in various sizes which, compared to the standard manufacturing capacity, makes the manufactured quantity decrease.

\* The Company manufactures concrete pipes to supply the wastewater treatment project at the Work Site on Rama II Road established for the manufacture of concrete pipes to supply the nearby project; this is to save transportation costs.

**Manufacture of processed steel:** Previously, Nawarat Patanakarn Public Company Limited has a productivity of processed steel of approximately 12,000 tons per year.

	2023 (tons)	2022 (tons)	2021 (tons)
Capacity	12,000	12,000	12,000
Quantity	8,173	14,127	8,961
Percent of productivity	68.11	117.72	74.68
Percent of increase (decrease) of production	(42.15)	57.65	22.99

Since the nature of business of the Company is construction business, the manufacture of concrete piles and processed steel, needs to operate to meet the construction plans in each period of each project. But there is no specific number of shifts in each manufacturing phase unlike normal operation in an industrial factory, the capacity and manufactured quantity are thus represented according to the authentic work outcomes against the manufacturing capacity.

## 2. Construction materials and suppliers

The main types of construction materials: The construction materials used for the Company's business operation comprise of cement, steel, concrete, sand, stone, wood, etc.

The source of construction materials: The construction materials are ordered from domestic manufacturers or suppliers. In some cases, the Company may order them from abroad if conditions are considered to be better than purchasing from domestic suppliers or sellers. At present, almost all of the Company's construction materials are provided by domestic sources.

In executing construction projects, some construction materials may be specified, for example, concrete with a compressive strength of 350 kilograms per square centimeter or equivalent, which can be available from several domestic manufacturers. In this way, the Company would forward the specifications of the equivalent construction materials to be approved by the project owner. In case there are no specifications required, the Company would give priority to domestic manufacturers with qualified standards and reasonable prices.

The execution of works must comply with the terms and conditions of contracts. Despite using differing construction technologies, the majority still require materials that meet the specified criteria outlined in the contracts.

Sometimes, there are some shortages or price adjustments of construction materials. In case there is a high demand of quantity, the Company would probably consider purchasing directly from the manufacturer or importing such from abroad. Since the Company has been in the business for such a long time and has had strong relationships with groups of construction materials' suppliers and manufacturers, thus, we are confident that quality, prices, and quantity will be sufficient for continuous usage in each project. In case there are fluctuations in the price of materials, the Company would get into a contract and make the order in advance, including making a fixed-price contract in case there is no information on the specific number of materials.

The number of construction material suppliers: The construction material suppliers such as cement, steel, concrete, and other materials are plenty and available according to specific material types. The Company has conducted the construction business for a long time and has had strong relationships with plenty of suppliers and manufacturers who have consistently maintained good business contact with the Company. Thus, there is no problem in supplying construction materials.

Proportion of material purchased in and outside of the country: The construction materials that the Company uses are mainly provided by domestic suppliers. The quantity and type of materials used each year depend on the types of construction specified in each project. For example, road construction requires the use of a large amount of sand, gravel, and asphalt while building construction may require plenty of concrete and steel rods. Notwithstanding, no construction materials were used for more than 50 percent of the overall production cost. The main construction materials such as cement, concrete, steel rods, stone, and sand are provided by domestic suppliers according to their material types. The purchase balance for each supplier is not higher than 30 percent of the overall purchasing value for each year. Also, there is no binding agreement in purchasing construction materials from any specific manufacturers or suppliers. Therefore, the change in price of construction materials in a given time is in accordance with market mechanisms and conditions during that time. The price of some materials was under the government's control.

### 3. Environmental impact

The construction process normally initiates an environmental impact either in the type of sound, dust, or vibration which the Company has prevented the impact on the local community and also the people in the nearest area with the following schemes:

3.1 Preventing the dust by covering the building that is under construction or regularly watering the road that is under construction.

3.2 Using a qualified machine that would not create a loud noise. In any cases in which the Company required a noisy machine, we would avoid conducting such activity at night.

3.3 Announcement to the local community in the nearest area to make a mutual understanding about the construction process and develop a positive relationship with them.

For the past 3 years until now, the Company and subsidiary companies have never had any issues regarding an environmental impact. However, to minimize the uncertainty, the Company has managed its insurance in every construction project to deal with any charge of environmental impact.

#### (4) Business asset (The following information only displays the details of the Company's asset.)

Types of asset	Rights of asset	Utilization	Area	Purchase price (Baht)	Book value (Baht) As at December 31, 2023
<b>1. Land</b>					
Title Deed No.10646 located at Paktho district, Ratchaburi province	Mortgaged	Sand field	18-2-76 rai	1,214,850.00	3,178,700.00
NS-3K or Confirmed Certificate of Use No. 730 located at Paktho district, Ratchaburi province	Mortgaged	Sand field	6-2-93 rai	302,962.50	1,144,525.00
NS-3 or Certificate of Use No.126 located at Paktho district, Ratchaburi province	Mortgaged	Sand field	16-0-5 rai	1,601,250.00	2,722,125.00
NS-3K or Confirmed Certificate of UseNo. 946 located at Paktho district, Ratchaburi province	Mortgaged	Sand field	0-3-98 rai	99,500.20	183,825.00
NS-3K or Confirmed Certificate of Use No. 948 located at Paktho district, Ratchaburi province (Title Deed No. 32126)	Mortgaged	Sand field	16-0-49 rai	1,612,250.00	2,740,825.00

Types of asset	Rights of asset	Utilization	Area	Purchase price (Baht)	Book value (Baht) As at December 31, 2023
Title Deed No.35236 located at Bang Nam Priao district, Chachoengsao province	Mortgaged	Workers' camp/ document storage	24-1-38 rai	8,520,750.00	18,698,491.00
Cost of landfilling and land improvement				3,212,009.00	3,212,009.00
Title Deed No. 27604 located at Mueang district, Chachoengsao province	Owner	Factory		958,893.45	1,876,000.00
Title Deed No. 490 located at Mueang district, Chachoengsao province	Mortgaged	Factory	37-3-99 rai	11,104,164.05	19,620,899.20
Cost of landfilling and land improvement				8,901,100.80	8,901,100.80
Title Deed No. 7807 located at Mueang district, Chachoengsao province	Mortgaged	Factory	10-3-38 rai		
Title Deed No. 7808 located at Mueang district, Chachoengsao province	Mortgaged	Factory	11-2-07 rai	46,800,000.00	78,456,000.00
Title Deed No. 15050 located at Mueang district, Chachoengsao province	Mortgaged	Factory	26-2-69 rai		
Title Deed No. 2497 located at Bang Sao Thong district, Samut Prakan province	Mortgaged	Petrol station	4-0-1 rai	22,187,087.95	56,035,000.00
Title Deed No. 23004 located at Dokmai sub-district, Prawet district, Bangkok	Owner	Construction model office	26.8/24.2/ 25.1 square wah	1,996,181.39	2,283,000.00
Title Deed No. 23007 located at Dokmai sub-district, Prawet district, Bangkok	Owner	A place for construction material	2-0-147.3 square wah	450,000.00	470,000.00
Title Deed No. 23027 located at Dokmai sub-district, Prawet district, Bangkok					
Title Deed No. 22247,22248 located at Betong district, Yala province					
<b>Total</b>				<b>108,960,999.34</b>	<b>199,522,500.00</b>

Types of asset	Rights of asset	Utilization	Area	Purchase price (Baht)	Book value (Baht) As at December 31, 2023
Cost of Land Improvement				41,327,227.58	
Less Accumulated depreciation				(26,814,582.13)	14,512,645.45
<b>2. Building</b>					
- Office – Pile plant KM.4	On leased land	Office		3,443,805.79	
- Showroom - EGG	On leased and	Showroom		22,194,947.01	
- Document storage building	Owner	Document storage		3,820,024.74	
- Workers' camp	Owner	Residential		1,886,601.37	
- Wat Sri Petrol station, restaurant and coffee shop	Owner	Petrol station, convenience store		40,746,336.82	
- Neo Siam Building (Suanluang Rama IX)	Owner	Office		6,244,830.94	
- Headquarter Improvement Part	Leased Building	Office		8,841,416.03	
- Plant Improvement Part	Owner	Production plant		89,631,245.64	
Office Buildings and Factory Buildings	Owner	Office and production plant		57,600,000.00	
<b>Total</b>				<b>234,409,208.34</b>	
Less Accumulated depreciation				(161,532,159.79)	72,877,048.55
<b>3. Temporary building</b>	<b>On leased land</b>	<b>Office</b>		<b>94,395,337.14</b>	
Less Accumulated depreciation				(74,232,964.76)	20,162,372.38
<b>4. Construction machinery and equipment</b>	<b>Owner</b>	<b>Using in construction process</b>		<b>2,943,029,181.91</b>	
Less Accumulated depreciation				(2,414,183,830.30)	
Less Allowance for impairment				(6,246,141.48)	522,599,210.13
<b>5. Vehicle</b>	<b>Owner</b>	<b>Using in construction process and operation</b>		<b>842,162,777.03</b>	
Less Depreciation				(694,544,038.81)	147,618,738.22

Types of asset	Rights of asset	Utilization	Area	Purchase price (Baht)	Book value (Baht) As at December 31, 2023
6. Office equipment Less Accumulated depreciation	Owner	Using in construction process and operation		286,362,250.26 (228,856,349.12)	57,505,901.14
Total net asset value					1,034,798,415.87

- As at December 31, 2023, an asset's book value excluding leasehold as indicated in item no. 71,034.79 Million Baht
- The value of Construction-In-Process Asset, which consists of drill head improvement and steel template for casting concrete pipe. 40.03 Million Baht
- Building, machinery, and vehicle of the Company's joint ventures. 220.84 Million Baht
- The net asset value of land, building, and equipment according to the Company financial statement as at December 31, 2023. 1,295.66 Million Baht
- Building, machinery, and vehicle of the Company's subsidiaries 799.81 Million Baht
- The net asset value of land, building, and equipment according to the Company's consolidated financial statement as at December 31, 2023. 2,095.47 Million Baht

Types of asset	Utilization	Counter Parties	Area	Rental term (Years)	Rental fee per month As at December 31, 2023	Contract end date
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#### Land

1. No. 3514, 3572 Rama II Road, Bangkrachao sub-district, Muang Samut Sakhon district, Samut Sakhon province	Concrete products plant	Samut Sakhon Land Group of people which consists of Wacin Buddhari, brother in law of Mr. Polpat Karnasuta, Chief Executive Officer of the Company.	37-1-17 rai	3	70,000.00	June 30, 2026
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#### Building

• 2/3 Moo 14, Bangna Towers A, 5 <sup>th</sup> and 18 <sup>th</sup> -19 <sup>th</sup> Floor, Bangna-Trad Road, Bangkaew sub-district, Bangplee district, Samutprakarn province	Headquarter	Teo Hong Silom Co., Ltd. which does not have any relationship with the Company	2,463,56 rai	3	1,045,449.45	December 31, 2023
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### Investment property

Investment property as at December 31, 2023 in the amount of 351,620,000 Baht, which consists of the following properties:

1. Land located at Pa Mok District, Ang Thong province consists of 9 title deeds with an area of 53-1-37 rai. The net asset value was 69,700,000 Baht.
2. Land located at Pathumthani province, Title Deed No. 72747 with the area of 0-1-50 rai. The asset value was 1,600,000 Baht.
3. One plot of land located at Bangplee district, Samutprakarn province, Title Deed No. 93754 with the area of 0-1-17 rai. The asset value was 3,500,000 Baht.
4. Land located at Bo Phut sub-district, Koh Samui district, Surat Thani province with the area of 44-0-83.7 rai. The asset value was 222,218,373 Baht with the cost of land Improvements (in the year 2015) of 9,581,627.00 Baht. Thus, the net asset value was 231,800,000 Baht.
5. Land located at Mae Rim district, Chiang Mai province, Title Deed No. 20662 and 20663 with the area of 12-0- 61 rai. The asset value was 38,843,206 Baht with the cost of land improvement of 156,794 Baht. Thus, the net asset value was 39,000,000 Baht.
6. Land located at Wang Chik sub-district, Phichit district, Title Deed No. 6406 6407 with the area of 16-3-15 rai. The asset value was 1,330,000 Baht.
7. Land located at Manorom district, Chainat province, Title Deed No. 3607 2378 with the area of 12-1- 68 rai. The asset value was 620,000 Baht.
8. Land located at Pak Chong district, Nakhon Ratchasima province, Title Deed No. 32126 with the area of 0-3-13 rai. The asset value was 4,070,000 Baht.

### Changes in accounting policy

The Board of Directors resolved to change the accounting policy for the financial statement of the year 2023 and to adjust the Company's consolidated financial statements and separate financial statements retrospectively.

- The change in accounting policy refers to the change from the Cost Method to the Fair Value Method in accordance with Accounting Standard No. 40, Investment Property (TAS 40), in order to recognize the land at the current fair value. This change has been retrospectively adjusted for the comparative information presented in the previous period.
- The Company has revised its accounting policy for the valuation of lands, buildings, and equipment from the Cost Method to the Revaluation in accordance with Accounting Standard No. 16, Property, Plant and Equipment (TAS 16). The new method has been implemented right away. Thus, the Company's consolidated financial statements and separate financial statements as at December 31, 2023 will reflect the change accordingly.

## (5) Backlogs

The Company will be able to handover the construction works of the whole project to the employers only when the whole project has been completed. Therefore, the ongoing construction projects to be counted as backlogs as of December 31, 2022 are as below:

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.505	Sino-Thai Engineering & Construction Public Company	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Yellow Line project (Project owner: Metropolitan Electricity Authority)	12 Dec 2017	27 Jan 2024	330.21	328.71	1.50	99.55
N.506A	Sino-Thai Engineering & Construction Public Company	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project - Khae Rai Intersection (Project owner: Metropolitan Electricity Authority)	26 Feb 2018	7 Dec 2024	1,508.38	1,316.13	192.25	87.25
N.506B	Sino-Thai Engineering & Construction Public Company	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project - Canal Part (Project owner: Metropolitan Electricity Authority)	12 Dec 2017	7 Dec 2024	1,537.43	1,462.30	75.13	95.11
N.507	CKST Joint Venture (CKST)	The MRT Orange Line (East Section) Project	15 Mar 2018	31 May 2021	1,585.78	1,571.50	14.28	99.10
N.515	Magnolia Quality Development Corp. Ltd.	Civil work of Forestias	1 Sep 2018	31 Aug 2021	842.56	808.47	34.09	95.95
N.516	Department of Public Work, Bangkok	Construction of Underground Tunnel through Ratchada- Ratchapruke	28 Sep 2018	4 Sep 2024	817.54	812.89	4.65	99.43

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.517	Sino-Thai Engineering & Construction Public Company	Construction of Structure and Architecture of the MRT Pink Line Monorail (Khae Rai-Min Buri), 18 stations (Project owner: Eastern Bangkok Monorail Company Limited)	30 Nov 2018	30 Sep 2023	2,707.52	2,698.56	8.96	99.67
N.518A	Sino-Thai Engineering & Construction Public Company	Construction of Structure and Architecture of the MRT Yellow Line Monorail (Lat Phrao-Samrong), 16 stations (Project owner: Eastern Bangkok Monorail Company Limited)	30 Nov 2018	31 Jan 2023	3,062.45	3,048.58	13.87	99.55
N.520	Metropolitan Electricity Authority	Construction of Manhole and Underground Duct Bank in conjunction with the Construction of Underground Tunnel through Ratchada- Ratchapruk by Bangkok Metropolitan Administration	26 Dec 2018	15 Sep 2023	332.07	273.81	58.26	82.46
N.521	Metropolitan Electricity Authority	The Changing of Aerial Electrical Cable System to Underground Electricity Cable, Ratchada- Rama IX Project	16 Jan 2019	4 Feb 2025	1,882.85	1,050.91	831.94	55.82
N.533	Metropolitan Electricity Authority	The Changing of the Aerial Electrical Cable System to Underground Electricity Cable along the MRT Green Line (Bearing- Samut Prakan)	15 Sep 2019	4 Oct 2024	2,171.41	410.49	1,760.92	18.90
N.542	Metropolitan Electricity Authority	Underground Power Cable Project under the Chao Phraya River, from Pranakorn Tai Station to Suksawat Station	30 Apr 2021	30 Apr 2024	341.96	139.95	202.01	40.93

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.543	TN Joint Venture	Construction of 3rd Runway, Taxiway D Extension, and Perimeter Taxiway at Suvarnabhumi International Airport, Bangkok	28 Sep 2020	15 Aug 2023	1,030.00	888.39	141.61	86.25
N.545	State Railway of Thailand	Cooperation Project between Thailand and the Republic of China for the Development of a High-Speed Rail System to Connect Regions Bangkok- Nong Khai, Contract 3-2 Civil Works for Tunnel (Muak Lek and Lan Takhong)	19 Apr 2021	2 Apr 2024	3,999.35	2,347.44	1,651.91	58.70
N.547	Bangkok Metropolitan Administration	Construction of the Underground Walkway Tunnels through Maharaj Road	27 Aug 2020	21 Aug 2022	172.71	172.50	0.21	99.88
N.548	Metropolitan Waterworks Authority	Construction of the pipeline project and related works in accordance with Ror Tor Por. 133 Contract	19 Aug 2020	30 Dec 2022	111.85	111.34	0.51	99.54
N.553	Metropolitan Electricity Authority	B.Grimm Power (Ratchaburi): BPAT2	15 Sep 2021	1 Dec 2023	742.00	736.89	5.11	99.31
N.554	Department of Highways	Construction of South Chachoengsao Bypass Road, Chachoengsao Province	4 Sep 2020	19 Aug 2023	969.63	958.37	11.26	98.84
N.555	Airports of Thailand Public Company Limited	Construction of Taxiway C and the Installation of Lighting System at Krabi Airport	29 Oct 2020	15 Jul 2024	880.28	600.07	280.21	68.17

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.556	Marine Department	Construction of the Retaining Wall of Pasak River Phase 2, Section 1, Ayutthaya province	19 Sep 2020	16 Dec 2024	508.64	471.55	37.09	92.71
N.557	TN- CEI Joint Venture	Construction of a parallel taxiway system at the north side and maintenance taxiway at the end of the apron for Mae Fa Luang Airport at Chiang Rai	4 Oct 2021	4 May 2024	63.50	50.54	12.96	79.60
N.559	Drainage and Sewerage Department BMA	Maintenance utilities system (main)	30 Sep 2023	27 Mar 2024	64.77	26.94	37.83	41.59
N.560	Department of Public Works and Town and Country Planning	Construction of Flood Control System Phrase 2 in Omyai Community at Nakhon Pathom Province	27 Nov 2020	30 Dec 2024	305.23	303.90	1.33	99.56
N.561	Metropolitan Electricity Authority	The Changing of the Aerial Electrical Cable System to Underground Electricity Cable in conjunction with the MRT Green Line, Sukhumvit Road, Sukhumvit 81- Soi Bearing	15 Feb 2022	29 Jan 2025	1,461.75	399.15	1,062.60	27.31
N.562	Bangkok Metropolitan Administration	Construction of Drainage Tunnel for Khlong Prem Prachakorn from Khlong Bang Bua to the Chao Phraya River	9 Sep 2021	13 Aug 2526	874.88	169.84	705.04	19.41
N.563	Italian- Thai Nawarat Joint Venture	Construction of a water transmission tunnel along the Ratchapruet Road, from Klong Mahasawat to Petchkasem Road	8 Sep 2021	7 Sep 2024	924.54	379.69	544.85	41.07

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.564	Department of Highways	Construction of the Southern Chachoengsao Bypass (Bridge over the Bang Pakong River) at Chachoengsao Province	21 Aug 2021	4 Aug 2024	914.67	600.08	314.59	65.61
N.565	Department of Public Works and Town and Country Planning	Construction of Flood Control System Phrase 1 in Krathumlom Community at Nakhon Pathom Province	14 Jul 2021	31 Dec 2024	277.48	257.62	19.86	92.84
N.567	Bangkok Metropolitan Administration	Construction of a drainage tunnel for Khlong Thawi Watthana in the bottleneck area	7 Dec 2021	21 Nov 2024	2,074.02	502.98	1,571.04	24.25
N.568	NTH Joint Venture	Construction of the runway extension with the airport electrical system and other components at Trang Airport	24 Sep 2021	12 Oct 2025	263.29	213.58	49.71	81.12
N.569	Department of Public Works and Town and Country Planning	Maintenance and development of flood control system in Omnoi Community , Amphoe Krathum Baen, Samut Sakhon province	21 Dec 2021	24 Mar 2024	45.23	44.98	0.25	99.44
N.570	Hutchison Laemchabang Terminal Limited	TERMINAL D PHASE 2A,2B & 2C LAEMCHABANG THAILAND	16 Mar 2022	29 Dec 2024	3,451.98	2,028.04	1,423.94	58.75

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.571	Drainage and Sewerage Department BMA.	Flood prevention system, phrase 3, Rai Khing community, Sam Pran district, Nakorn Pathom province	7 Sep 2022	22 Feb 2025	277.39	86.63	190.76	31.23
N.572	Drainage and Sewerage Department BMA.	Wastewater collection system from Phitsanulok to Sri- Ayutthaya road	29 Sep 2022	27 Mar 2023	114.77	45.85	68.92	39.95
N.574	Drainage and Sewerage Department BMA.	Project on Amnuay Songkhram Road, Dusit district, Bangkok	30 Sep 2023	27 Mar 2024	92.20	0.10	92.10	0.11
<b>Total</b>					<b>36,740.32</b>	<b>25,318.77</b>	<b>11,421.55</b>	

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
JV.001	NTA Joint Venture	Elevated road construction on Highway No. 35, Thon Buri - Pak Tho (Rama 2 Road) section, Bang Khun Thian Interchange - Ekachai Section 1	28 Aug 2019	1 Oct 2023	1,269.25	1,092.05	177.20	86.04
		Construction of a manhole and an underground electrical conduit in conjunction with the project to improve highway no. 35, Thon Buri - Pak Tho route	15 Nov 2022	2 May 2025	146.20	73.92	72.28	50.56

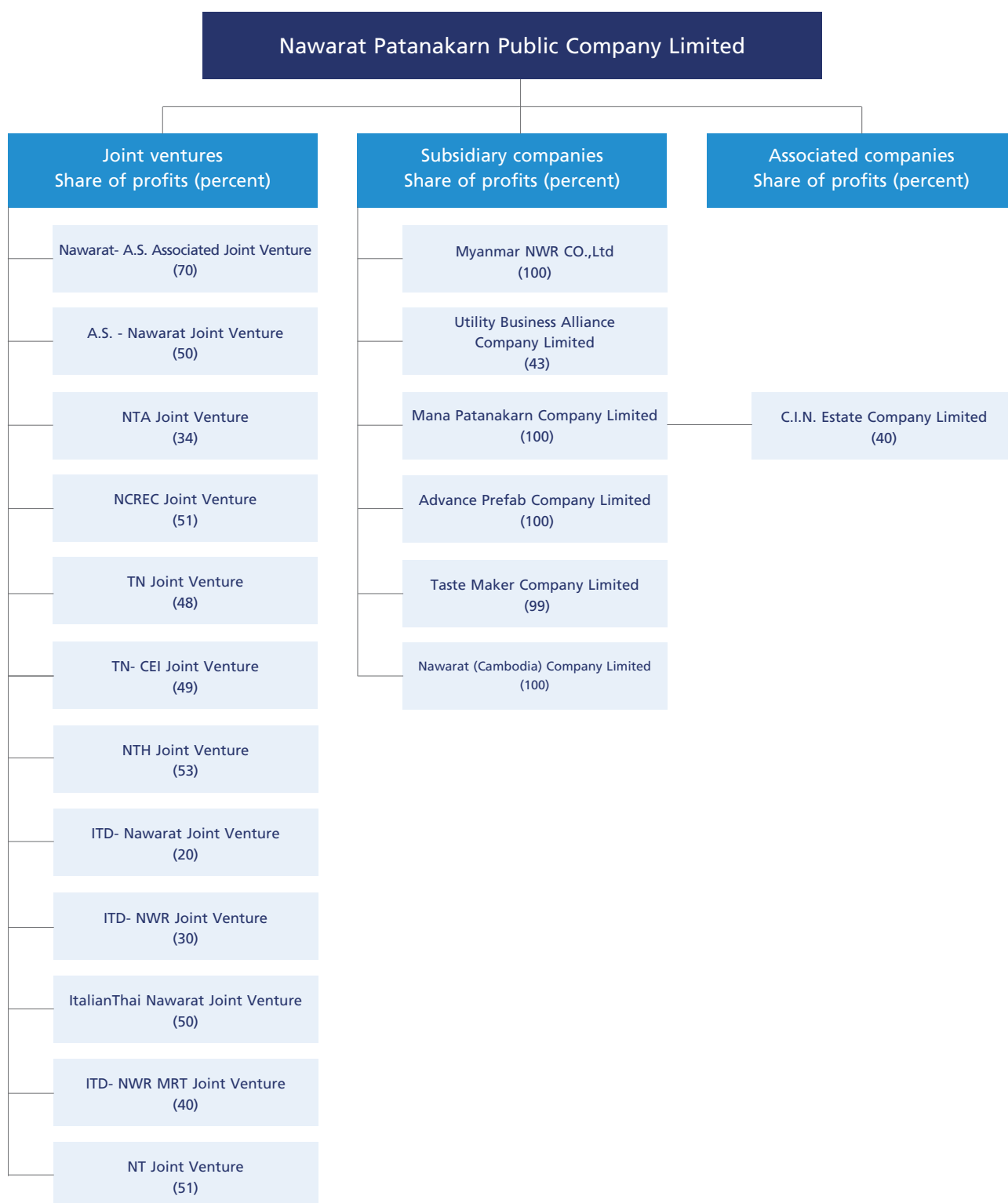
(Unit: Million Baht)								
Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
JV.002	NCRREC Joint Venture	National Water Resources Office Building Work, Bang Tad Subdistrict, Pak Kret District, Nonthaburi Province	16 Oct 2021	7 Apr 2023	341.48	341.48	0	100.00
	N.549	Sub to NWR			(6.35)	(6.35)	0.00	100.00
JV.003	TN Joint Venture	3rd Runway Construction, Taxiway D Extension and Perimeter Taxiway, Suvarnabhumi Airport	28 Sep 2020	6 Jul 2024	4,450.95	3,618.80	832.15	81.30
	N.543	Sub to NWR			(1,030)	(888.39)	(141.61)	86.25
JV.004	TN-CEI Joint Venture	The construction of the north parallel Taxiway, the renovation of the apron taxi lane, taxiway A, and taxiway B, Mae Fah Luang Chiang Rai International Airport	4 Oct 2021	4 May 2024	308.70	207.04	101.66	67.07
	N.557	Sub to NWR			(31.12)	(24.77)	(6.35)	79.60
JV.005	NWR-AVP Joint Venture	Skywalk connection construction between Chulabhorn Hospital and Lak Si Station	26 Apr 2021	20 Jan 2022	107.00	107.00	0	100.00
JV.006	CAN Joint Venture	Cooperation Project between Thailand and Republic of China for Development of High-Speed Rail System to Connect Regions, contract no. 4-3 (Navanakorn- Baan Po)	18 Jun 2021	2 Jun 2024	3,231.41	1,021.98	2,209.43	31.63
JV.007	Italian-Thai – Nawarat Joint Venture	Water tunnel works along Ratchaphruek Road from Khlong Maha Sawat to Petchkasem Road with relevant works, contract G-TN-9B	8 Sep 2021	7 Sep 2024	1,899.67	668.94	1,230.73	35.21

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
	N.563	Sub to NWR			(924.54)	(379.69)	(544.85)	41.07
JV.008	ITD-NWR Joint Venture	Water tunnel works from Khlong Prem Prachakon to Khlong Bang Bua, and Chao Phraya River	9 Sep 2021	13 Aug 2026	2,316.40	241.24	2,075.16	10.41
	N.562	Sub to NWR			(874.88)	(169.84)	(705.04)	19.41
JV.009	ITD-Nawarat Joint Venture	Construction of the Den Chai - Chiang Rai - Chiang Khong Railway, Contract 1: Den Chai - Ngao Section	15 Feb 2022	14 Jan 2028	2,593.93	151.92	2,442.01	5.86
JV.010	NTH Joint Venture	Runway extension work with aerodrome electrical system and other components Trang Airport, Trang Province	24 Sep 2021	12 Oct 2025	879.56	404.42	475.14	45.98
	N.568	Sub to NWR			(139.55)	(113.20)	(26.35)	81.12
JV.011	ITD-NWR MRT Joint Venture	Purple Line Tao Poon - Rat Burana (Kanchanaphisek Ring Road) Contract 3 Design and Construction of Tunnels and Underground Stations Passing the sky - Phuthaphan Bridge	25 Apr 2022	20 Oct 2027	5,593.26	506.71	5,086.55	9.06
JV.012	NT Joint Venture	Soil improvement work at the parking lot near the 2nd concourse building, Suvarnabhumi Airport	1 Sep 2022	16 Feb 2025	1,468.04	750.66	717.38	51.13
Total						21,599.41	7,603.92	13,995.49
Grand Total						58,339.73	32,922.69	25,417.04

## 1.3 The Company's Shareholding Structure

### 1.3.1 The Company's Shareholding Structure as December 31, 2023



Joint ventures, subsidiary companies, associated companies, and related parties (still operating as of December 31, 2021)

Joint venture	Address	Type of business	Share of profit (percentage)
Nawarat – A.S. Associated Joint Venture	8/24-25 SoiLadprao 8, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900	Construction	70
A.S. – Nawarat Joint Venture	230 Soi Yasoob 1, Viphavadi-Rangsit Road, ChomPhon, Chatuchak, Bangkok 10900	Construction	50
N.T.A. Joint Venture	2/3 Moo14 Bangna Towers A, 19 <sup>th</sup> Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	34
NCREC Joint Venture	2/3 Moo14 Bangna Towers A, 19 <sup>th</sup> Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	51
TN Joint Venture	118/1 Tipco Tower, Rama 6 Road, Phayathai, Phayathai, Bangkok 10400, Thailand	Construction	48
TN - CEI Joint Venture	118/1 Tipco Tower, Rama 6 Road, Phayathai, Phayathai, Bangkok 10400, Thailand	Construction	49
CAN Joint Venture	2034/82 ItalThai Tower, 18 <sup>th</sup> Floor, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310.	Construction	30
ItalianThai Nawarat Joint Venture	2034/151 ItalThai Tower, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310	Construction	50
ITD - NWR Joint Venture	2034/151 ItalThai Tower, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310	Construction	30
NTH Joint Venture	2/3 Moo 14 Bangna Towers A, 19 <sup>th</sup> Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	53
ITD - Nawarat Joint Venture	2034/151 ItalThai Tower, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310	Construction	20
ITD - NWR MRT Joint Venture	2034/151 ItalThai Tower, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310	Construction	40
NT Joint Venture	2/3 Moo14 Bangna Towers A, 19 <sup>th</sup> Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	51

Subsidiary company	Address	Type of business	Share of profit (percentage)
Myanmar NWR Co., Ltd.	32, Hlaing Myint Moh Street 4, Ward 10, Hlaing Township, Yangon, Myanmar.	Construction	100
Utility Business Alliance Public Company Limited	21 Viphavadi-Rangsit Road, Chomthong, Chatuchak, Bangkok 10900	Wastewater treatment	43
Mana Patanakarn Company Limited	2/3 Moo14 Bangna Towers A 19 <sup>th</sup> Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Real estate and residential development	100
Advance Prefab Company Limited	2/3 Moo14 Bangna Towers A 19 <sup>th</sup> Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Pre-cast concrete production and distribution	100
Taste Maker Company Limited	2/3 Moo14 Bangna Towers A 19 <sup>th</sup> Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Restaurant, food business-fresh food, dried food, instant food, canned food, seasoning, all types of beverages	99
Nawarat (Cambodia) Company Limited	Cham Yeam Village, Bak Khlang Commune, Mondol Seima District, Koh Kong Province, Cambodia.	Construction (building)	100

Related Parties (Relationship)	Address	Type of Business	Share of Profit (Percentage)
New Decade Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	9/7 Chaloe m Phra Kiat Ratchakan Thi 9 Soi 38, Dok Mai, Prawet, Bangkok 10250	Construction	0.00
Ruen Rapee Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	9/7 Chaloe m Phra Kiat Ratchakan Thi 9 Soi 38, Dok Mai, Prawet, Bangkok 10250	Real estate development	0.00
East Bangkok Assets Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	9/7 Chaloe m Phra Kiat Ratchakan Thi 9 Soi 38, Dok Mai, Prawet, Bangkok 10250	Real estate development	0.00
K Alliance Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	1111 Moo 6, Samrongnua, Muang District, Samutprakarn 10270	Mining business	0.00
Kao Chamao Hilly Resort Company Limited (with Mr. Apathorn Karnasuta and Mrs. Suthasanee Karnasuta, a younger brother and a younger sister of Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	9/3 Moo 3, Khaowongkot, Kaenghangmaeo, Chantaburi 22160	Agricultural	0.00
E.G.G. Enterprise Company Limited (with Mr. Polpat Karnasuta, Chief Executive Officer, taking the position of managing director)	1786 Bangna-Trat, Bangna, Bangkok 10260	Furniture business	0.00

#### Subsidiary companies

##### 1. Myanmar NWR Company Limited

In 2000, the Company invested in Myanmar NWR Company Limited, which is located at 32, Hlaing Myint Moh Street 4, Ward 10, Hlaing Township, Yangon, Myanmar. The Company holds 100 percent of the shares for the purpose of supporting expansion of its construction business in the Republic of the Union of Myanmar. The Company has a registered capital of 1,000,000 Kyat, with a paid-up capital of 500,000 Kyat or approximately 3 Million Baht. The subsidiary has not started operating yet because the overall economy of the Republic of the Union of Myanmar and its legal system which is not feasible.

## 2. Utility Business Alliance Public Company Limited

In 2001, the company invested in Utility Business Alliance Co., Ltd., operating a wastewater treatment system management business. By investing in the ratio of 50 percent. Subsequently, on November 11, 2003, the Company sold some of the investment to a third party. As a result, the proportion of investment decreased to 33.33%, but in the third quarter of 2006, the Company bought back investment from third parties. The proportion of investment therefore returned to 60 percent.

Subsequently, Utility Business Alliance Co., Ltd. was transformed into a public limited company. And increased the capital to sell to the general public of 170 million shares at a price of 1.70 baht per share (par value of 0.50 baht per share) and on December 7, 2022, the Market for Alternative Investment (mai) received the ordinary shares of this company as securities. Registered and to start trading

The proportion of the Company's investment in Utility Business Alliance Public Company Limited decreased from 60% to 43% when considering the quality criterion. The company is still a major shareholder. Therefore, Utility Business Alliance Public Company Limited remains a subsidiary of the Company as before.

## 3. Mana Patanakarn Company Limited

1. The first project is 2-storey detached house on Romkloa Road under project named Baranee Park Romklao. The project consists of 86 units of 2-story detached house in a total area of 22-2-01 rai with a project value of 1,004 Million Baht. The project started in October 2013 and is scheduled to complete in March 2016. The project is now 100 percent completed. The sale and transfer of detached houses length 86 after value 1,004 Million baht, 54 houses have been sold (54%), 50 houses have been transferred (49%), totaling 489 Million baht.
2. The second project is 140 units of 2-storey detached house under project named Baranee Resident. The project is located at Rangsit Klong 3, having the total area of 34-1-34 rai with the project value of 893 Million Baht. The 137 contracts have been signed (98%), 137 have been transferred (98%), amounting to 874 million baht
3. The third project is a single house, 2 floors, named Barani Bliss Project, located at Rangsit-Khlong Sam, 148 houses in the area

The total land area is 33-3-93 rai, the project value is 1,275 million baht, one unit has been sold (1%) but has not yet been transferred.

4. Barani Bliss Project (Rangsit - Outer Ring Road), Rangsit - Nakhon Nayok Road (Khlong 5), project value 739 million baht.
5. Condominium construction project, project name Aspen Condo, located at Soi Sukhumvit 105 (Lasalle), a 7-building condominium with a total of 1,507 rooms on a total land area of 15-1-40 rai, project value 3,218 million baht, divided into 4 phases of construction. February 2016 Project ended in October 2022. Phase 1, 425 rooms, Phase 2, 398 rooms, and Phase 3, 425 rooms, are 100% complete while Phase 4 is 259 rooms.

Currently not open for reservation. Including the construction has not yet started.

Sale and transfer phase 1+2+3, total 1,248 rooms, value 2,357 million baht, 1,063 rooms signed contract (84%), transferred 1,049 rooms (61%), totaling 1,954 million baht.

#### 4. Advance Prefab Company Limited

Advance Prefab Company Limited was founded on December 12, 2013 with the initial registered capital of 1 Million Baht (10,000 ordinary shares at a par value of 100 Baht per share). The current registered capital is 400 Million Baht. The Company holds 100 percent shares in this subsidiary and completely paid all the shares' price.

Advance Prefab Company Limited operates its business as manufacturer and distributor of various kinds of pre-cast concrete products such as concrete piles, concrete beams, concrete roof structure, concrete slabs, etc., as well as provides construction of office buildings and factories.

Revenue	2023 (Million Baht)	2022 (Million Baht)	2021 (Million Baht)
Sales of pre-cast concrete products	507	638	412
Construction of buildings and factories	249	193	67
Other revenue	8	-	6
Total revenue	764	831	485

#### 5. Taste Maker Company Limited

On November 17, 2016, Taste Maker Company Limited ("Taste Maker") was registered as a juristic person with the Ministry of Commerce, with its registered capital of 5 Million Baht divided into 50,000 shares at a par value of 100 Baht per share. The Company holds 99 percent shares in Taste Maker. Taste Maker increase the registered capital in multiple times to expand its business. As at December 31, 2022, the registered capital of Taste Maker is 80 Million Baht, completely paid up.

Taste Maker operates its business as a restaurant and food business in relation to fresh food, dried food, instant food, canned food, seasoning, and all kinds of beverages. At present, Taste Maker operates an Italian restaurant and is registered as a branch called L'oliva, located at Sukhumvit soi 36.

#### 6. Nawarat (Cambodia) Company Limited

In 2017, the Company established Nawarat (Cambodia) Company Limited in Cambodia which the Company holds 100 percent of its shares to facilitate construction works in Cambodia. The registered capital is 5,000 USD or approximately 170,600 Baht, completely paid up. The subsidiary started its construction work of 150 MW Coal Power Plant at Stung Hav, Sihanoukville, Kingdom of Cambodia, awarded by the private enterprise named Branch of TPSC (Thailand) Co., Ltd. with the project value of 24.72 Million USD. At present, the construction of the project has been completed.

#### Indirect subsidiary

In the year 2016, Advance Prefab Company Limited, the Company's subsidiary, invested in Nawarat Advance Prefab Myanmar Co.,Ltd. located in Yangon, the Union of Myanmar to manufacture and distribute pre-cast concrete products such as concrete piles, concrete slabs, and concrete fences, and being construction contractor. The subsidiary has its initial registered capital of 500,000 USD or approximately 15 Million Baht in which Advance Prefab holds 70 percent of its shares. The subsidiary completed the construction of factory and machinery installation with the capacity of 15,000 cubic meters per year. Nawarat Advance Prefab Myanmar Co., Ltd. recognized its revenues from construction in year 2018 with the following details.

Revenue	2023 (Million Baht)	2022 (Million Baht)	2021 (Million Baht)
Sales of concrete products	17	9	14
Construction of buildings and factories	-	-	-
Total revenue	17	9	14

#### Associated companies

##### 1. C.I.N. Estate Company Limited

In September 2006, the Company invested in C.I.N Estate Company Limited (“C.I.N. Estate”) to procure land and develop it into a 47-storey condominium for residential located on Ladprao Road, between Soi 12 and 14. The project is named “The Issara Ladprao” with the project value of 2,808 Million Baht. The construction of the project commenced in January 2007 and completed in September 2011 with the total 560 units. Currently, C.I.N. Estate is developing another residential condominium project under the name “Issi Condo” which located adjacent to the entrance and exit of Suksawat expressway, with the project value of 1,802 Million Baht for 894 units. The construction of the project commenced in June 2013 and completed in February 2016. At the present, C.I.N. Estate launched its new residential project called “Baan Issara Bangna”, which is a detached house of 44 units with the value of 60 Million Baht per unit, located on Kanchanaphisek Outer Ring Road East with the total area of 24- 3-74 rai. The project value is 2,485 Million Baht. The construction of the project commenced in November 2016 and expected to be completed in August 2020. The project is now 43 percent completed. The Company invests in C.I.N. Estate by holding 40 percent of its registered capital which equals to 100 Million Baht.

The Company received dividends from C.I.N. Estate and recorded shares of profit in “Investment in Associated Companies” in the amount of 18 Million Baht in year 2020, 7 Million Baht in 2021 and 16 Million Baht in 2022

Mana Patanakarn Company Limited received dividends and recorded shares of profit in the amount of 7 Million Baht in 2021, 16 Million Baht in 2022, and -8 Million Baht in 2023

#### Joint ventures

In addition to construction as a contractor or as a subcontractor, the Company also operates its construction business in cooperation with other companies in the form of joint ventures in order to participate in bidding projects which required an advanced technology or projects that the Company has never experienced before. The joint venture enables the parties to meet the project owners’ requirements and utilize machinery, equipment and personnel of each party in order to save construction cost of the project.

As at December 31, 2023 in preparing the Company’s financial statements, the Company recognized the list of assets, liabilities, revenues, and expenses of the joint ventures with the co-investment rate of more than 30 percent according to the investment proportions in such joint ventures.

### 1. NTA Joint Venture

On February 8, 2019, NTA Joint Venture was established among the following parties;

Co-venturers	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	34
Therdthai and Co. Co., Ltd.	33
A.S. Associated Engineering (1994) Co., Ltd.	33

The purpose of this joint venture is to participate in Department of Highways (DOH) bidding for Elevated Highway construction on Route No.35: Thon Buri – Pak Tho (Rama II Road) Bang Khun Tien Conjunction – Ekkachai, Phase 1 Bangkok, with the project value of 3,733 Million Baht (excluding VAT). The construction period will be 1,080 days (commenced on August 28, 2019 and ending on August 11, 2022).

As at 31 December 2023, NTA Joint Venture partially completed the first project equal to 86 percent with a backlog of 521 Million Baht, and the second project equal to 51 percent with a backlog of 213 Million Baht.

### 2. TN Joint Venture

On April 13, 2021, TN Joint Venture was established among the following parties;

Co-venturers	Shareholding (percentage)
Thanomwongse Service Co., Ltd.	52
Nawarat Patanakarn Public Company Limited	48

The purpose of this joint venture is to participate in the Airport of Thailand Public Company Limited bidding for the structure construction of 3rd Runway for Suvarnabhumi International Airport at Samut Prakan, with the project value of 9,078 Million Baht (excluding VAT). The construction period will be 1,050 days (commenced on September 28, 2020 and ending on August 13, 2023).

As at 31 December 2023, NT Joint Venture partially completed the project equal to 81 percent with a backlog of 1,734 Million Baht.

### 3. TN - CEI Joint Venture

On September 17, 2020, TN- CEI Joint Venture was established among the following parties;

Co-venturers	Shareholding (percentage)
Thanomwongse Service Co., Ltd.	51
Nawarat Patanakarn Public Company Limited	49

The purpose of this joint venture is to participate in the Airport of Thailand Public Company Limited bidding for the construction of a parallel taxiway system at the north side and maintenance taxiway at the end of the apron, including taxiways A and B for Mae Fa Luang Airport at Chiang Rai, with the project value of 630 Million Baht (excluding VAT). The construction period will be 660 days (commencing on October 4, 2021 and ending on July 26, 2023). The contract period has been extended until May 4, 2024.

As at 31 December 2023, the joint venture partially completed the project equal to 67 percent with a backlog of 207 Million Baht.

#### 4. NWR-AVP Joint Venture

On March 29, 2021, 5. NWR-AVP Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	51
Advance Prefab Co., Ltd.	49

The purpose of this joint venture is to participate in the Construction of the Connected way to connect the Skywalk between Chulabhorn Hospital and Lak Si Station, with a project value of 210 Million Baht (excluding VAT). The construction period will be 240 days (commencing on April 26, 2021 and ending on December 21, 2021). The contract period has been extended until January 20, 2024.

As at 31 December 2023, NWR-AVP Joint Venture has completed the project.

#### 5. ITD-NWR Joint Venture

On January 19, 2021, ITD-NWR Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	30
Italian-Thai Development Public Company Limited	70

The purpose of this joint venture is to participate in the Construction of a drainage tunnel for Khlong Prem Prachakorn from Khlong Bang Bua to the Chao Phraya River, with the project value of 7,694.72 Million Baht (excluding VAT). The construction period will be 1,800 days (commenced on September 8, 2021 and ending on August 30, 2026).

As at 31 December 2023, ITD-NWR Joint Venture partially completed the project equal to 11 percent with a backlog of 6,812 Million Baht.

#### 6. Italianthai-Nawarat Joint Venture

On March 8, 2021, ITD-NWR Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	50
Italian-Thai Development Public Company Limited	50

The purpose of this joint venture is to participate in the Construction of water tunnels along Ratchapruerk Road from Khlong Maha Sawat to Petchkasem Road with related works, with the project value of 3,751.68 Million Baht (excluding VAT). The construction period will be 1,095 days (commenced on May 27, 2021 and ending on May 25, 2024).

As at 31 December 2023, the ItalianThai-Nawarat Joint Venture partially completed the project equal to 30 percent with a backlog of 2,645 Million Baht.

#### 7. ITD-NWR Joint Venture

On May 8, 2021, ITD-Nawarat Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	10.45
Italian-Thai Development Public Company Limited	89.55

The purpose of this joint venture is to participate in the Construction of Den Chai-Chiang Rai-Chiang Khong Railway, Den Chai-Ngao Section, with the project value of 24,822.43 Million Baht (excluding VAT). The construction period will be 2,160 days (commenced on December 29, 2021 and ending on January 5, 2025).

As at 31 December 2023, NTH Joint partially completed equal to 46 percent with a backlog of 896 Million Baht

#### 8. NTH Joint Venture

On April 5, 2021, ITD-NWR Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	20
Italian-Thai Development Public Company Limited	80

The purpose of this joint venture is to participate in Construction of the extension of the runway with the airport electrical system and other components Trang Airport, with the project value of 1,659.55 Million Baht (excluding VAT). The construction period will be 1,210 days (commenced on September 23, 2021 and ending on January 5, 2025).

As at 31 December 2023, ITD- Nawarat Joint Venture partially completed the project equal to 8 percent with a backlog of 22,939 Million Baht.

## 9. ITD- NWR MRT Joint Venture

On December 17, 2021, ITD- NWR MRT Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	40
Italian-Thai Development Public Company Limited	60

The purpose of this joint venture is to participate in the construction of Purple Line Tao Poon - Rat Burana (Kanchanaphisek Ring Road), contract No. 3, design and construction of tunnels and underground stations, Phanfa - Phra Phutthayotfa Bridge, with the project value of 14,121 Million Baht (excluding VAT). The construction period will be 2,005 days (commencing on April 25, 2022 and ending on October 21, 2027).

As at 31 December 2023, ITD- NWR MRT Joint Venture partially completed the project equal to 11 percent with a backlog of 12,585 Million Baht.

## 10. NT Joint Venture

On January 11, 2022, NT Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	51
Thanomwongse Service Co., Ltd.	49

The purpose of this joint venture is to participate in ground improvement work at the 2<sup>nd</sup> midfield satellite apron, Suvarnabhumi Airport, Nong Prue sub-district, Bang Phli district, Samut Prakan province, with a project value of 2,879 Million Baht (excluding VAT). The construction period will be 900 days (commencing on September 1, 2022 and ending on February 16, 2025).

As at 31 December 2023, NT Joint Venture partially completed equal to 51 percent with a backlog of 1,407 Million Baht

### 1.3.4 Shareholders

#### Shareholding structure

The top ten shareholders as of December 30, 2022 are as follows:

Rank	List of shareholders	Nationality	December 28, 2023	
			Number of shares	%
1.	Mr. Polpat Karnasuta	Thai	264,910,285	10.246
2.	Thai NVDR Company Limited	Thai	75,785,786	2.931
3.	Mr. Pattaranat Yanakornthanapun	Thai	43,954,700	1.700
4.	Mr. Ratchaphon Napanopparatkaew	Thai	30,635,635	1.185
5.	Mr. Taweecat Churangkul	Thai	28,486,800	1.102
6.	Mr. Krid Charoonsrirud	Thai	25,000,000	0.967
7.	Mr. Wason Tanteerapan	Thai	22,000,000	0.851
8.	Mr. Suchart Kortrakul	Thai	21,222,800	0.821
9.	Mr. Chaiya Sakulchaivanich	Thai	17,792,100	0.688
10.	Mr. Kittipol Tuantong	Thai	17,000,000	0.658
11.	Mr. Tawee Hankrivilai	Thai	16,550,000	0.640
12.	Mr. Suwat Lertpanyarot	Thai	16,499,182	0.638
13.	Acting Sub Lt. Phitsanu Komveerawong	Thai	15,100,000	0.584
14.	East Fourteen Limited-DFA Emerg Market Core EQ Port	United Kingdom	13,758,800	0.532
15.	Mr. Surachai Srisantisuk	Thai	13,451,000	0.520
16.	Minority shareholders		1,963,334,427	75.937
Total			2,585,481,515	100.000

## 1.4 Registered and Paid-up Capital

Nawarat Patanakarn Public Company Limited was registered on May 31, 1976 with a registered capital of 4 Million Baht. The capital has been gradually increased. In 1995, the capital was increased from 400 Million Baht to 500 Million Baht by way of share distribution to domestic and overseas investors. In September 1995, the Company was incorporated as a listed company on the Stock Exchange of Thailand. As at December 31, 2021, the Company has its registered capital of Baht 2,585,481,515 which is paid-up capital of Baht 2,585,481,515 divided to 2,585,481,515 ordinary shares at the par value of 1 Baht per share

## 1.5 Other Securities

In the year 2022, the Company has issued debentures, which is debenture No. 1/2022 with a total value of 500 Million Baht. In the year 2023, the Company has issued debentures, which is debenture No. 1/2023 with a total value of 412 Million Baht. (details can be found in the topic No. 1.1.3 Use of Proceeds from Fundraising Activities)

## 1.6 Dividend Payment Policy

1. The Company has the policy to pay dividends of not less than 50 percent of the net profit, except in the case that the Company requires the money for working capital, business expansion, or other factors relating to its management.
2. The dividend payment policies of the subsidiaries and associated companies have not been set up yet.
3. Profit sharing in joint ventures will be allocated year by year or upon completion of work or in accordance with the determination of the joint ventures.

# 2. Risk Management

## 2.1 Risk Management Policy

### 2.1 Risk Management Policy

Risk Management Policy, the Company give the highest priority to the risk management system that helps the Company to anticipate potential problem, prepare for preventive measures, and reduce the chances of losses, and increase the chances of success. Theses result in sustained and continuous organization growth, for the maximum benefit of stakeholders. In this regard, the Board of Directors prepared a risk management system policy by posing significant procedures roles, and responsibilities in each function that shall be enforced to the management and all employees in [www.nawarat.co.th](http://www.nawarat.co.th).

### 2.2 Risk Management plans

The Risk Management Committee has set the specific working group. which consists of executives from various parties involved including Operation Department, Finance Department, Marketing Department, Management Department, New Business and Strategy Department and Internal Audit Department, collaborate to develop an organizational risk management plan.

### 2.3 Risk Factors

The internal and external risk factors impacting the Company's business can be summarized as follows:

1. Economic situation and growth rate. The construction business directly relates to the country's economic situation and economic growth rate. The Company's operation has been inevitably affected by the recession. However, the Company has the ability to acquire various types of project which help diversified risks and minimized potential damage that might occurred. The economic situation has improved over a short period resulting in a little increase in the Company's expansion rate. However, the downturn had finally made a comeback. Thus, the Company has focused to acquire works in the field it exceptionally expertized with having fewer competitors in order to survive in the industry. That includes works such as Jacking Pipes, Underground Tunnel and Sewage System. In addition, the Company has become interested in tendering for more foreign projects either in the form of the Company individually or in the form of a joint-venture company. However, dealing with those in the private sector is risky in terms of the employers' liquidity such as a delay in payment; as a result, more precautions must be taken in the execution of various projects either domestic level or international level.

2. Changes in materials' prices. The cost of materials is considered the most important when it comes to calculating costs for tendering. A change in materials' price, especially fuel price, has a direct effect on the Company's profit. For instance, fuel price is considered as 20 percent of the overall construction cost for road construction projects, thus the increase in fuel price would affect directly to the project cost and will also affect the transportation cost for other materials. Even though the prices of fuel and main materials such as steel have at some level gone down in the past year, but it could not be assured that they will not bounce back to the same level. Thus, this raises the risk of bidding for construction in this situation. In addition, the costs of imported materials will also be depended on the adjustment of exchange rates. Therefore, the Company will purchase materials with a price assurance and purchase materials at once to cope with materials' price fluctuation. For instance, purchasing steel in an amount that is enough for the whole project. With this practice, the Company will be able to know the exact project cost. In addition, the Company provides its employees with training on stock controlling and auditing, including computer programs for effectively listing and recording inventories. The Company has saved costs for maintaining unnecessary inventory. The auditing team works regularly on every project every month.

In terms of works selection to serve the need of managing price adjustment risk, the Company divided the customers into:

1. Private sectors which comprise of works such as office buildings, factories, shopping centers and various real estate development projects, etc.
2. Government sectors which comprise of government agencies, state enterprises such as the Department of Highways, EGAT, BMA, etc.

The Company has tried to increase the proportion of government works since some of its contracts provide a clause for price adjustment.

The proportion of income from the private and Government sectors are as follows:

**Year 2021**

Private sector	28 percent of total revenue
Government sector	72 percent of total revenue

**Year 2022**

Private sector	22 percent of total revenue
Government sector	78 percent of total revenue

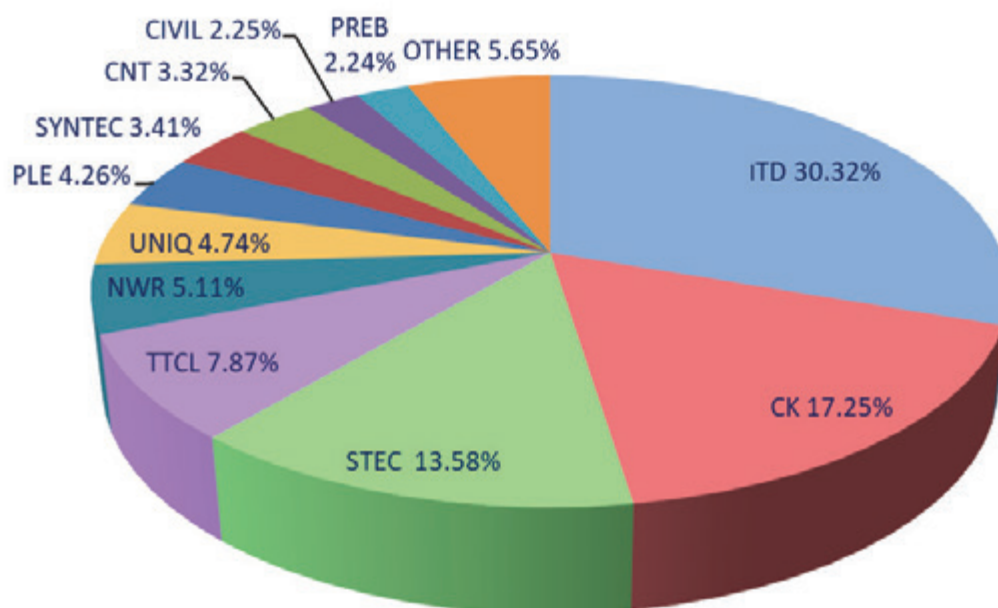
**Year 2023**

Private sector	3 percent of total revenue
Government sector	97 percent of total revenue

3. Lack of the construction workforce. Due to the COVID-19 situation, foreign labors could not come into Thailand and results in competitions among contractors over labors. Generally, there are no sufficient labors during national holidays such as New Year and Songkran holidays. Thus, the Company has increased an incentive in the form of increasing overtime wage rate. The operation cost consequently increases in certain times of the year. In general, the Company barely faces a problem with normal labors; on the other hand, when it comes to more skilled labors it becomes more problematic. Some construction projects such as high-priced housing estates are always in need of those highly skilled labors at the same time resulting in competing for such labors among contractors. Therefore, in case the Company is awarded with this kind of project, a good planning needed to be done together with the negotiation in advance with the highly skilled labors. However, the Company has currently recruited foreign labors to supplement its workforce and help easing the problem of labor shortage, by doing so the Company has complied with the Department of Labor's regulations. Normally, the labor cost including the Company's contractors shall not be higher than 15 percent of the overall cost. Although foreign labors, which has been inevitably increased, are heightening the labor cost, the Company has its ways of effectively managing the risk of labors. For example, the Company hires an agent who takes responsibilities for supplying, immigration and training foreign labors to be skilled and in line with regulations, while providing them with welfare. All these together with the effectively imposed punishment system make the foreign labors' management highly efficient and worth investing. Now there are approximately 200 foreign labors with the rate of 1: 5.315 in proportion to the Thai labors (There are around 1,063 Thai labors).
4. Uncertain events. Because the Company operates construction business and produce concrete products, although contingency costs are explicitly part of the total cost estimation, limitations in terms of time or unpredictable event such as floods or other natural catastrophes still adversely affect projects and no compensation can be sought from customers. This can cause the delay in construction and incur more construction cost than estimated.
5. Free trade in service sector. The policy of opening a Free-Trade Zone in the service sector that covers works of construction leads to the increase in the number of foreign competitors. The Company realizes the need to develop its manpower, construction equipment and techniques to be able to compete with other companies in the long term.

From the ranking of construction companies listed on the Stock Exchange of Thailand, which having consolidated revenue in the amount of 220,000 Million in the year 2023, the Company is ranked in the 5<sup>th</sup> out of 11 companies (which having revenue more than 5,000 Million Baht per annum) with 5.11 percent market share.

## Market share of construction companies listed on the Stock Exchange of Thailand in the year 2023



6. Capital and interest rates. The construction business requires high working capital, especially for projects with high investment in machinery. Therefore, if the Company faces the difficulty in finding sources of financial support, the project operation can be obstructed. Thus, the Company has obtaining more credit facilities from commercial banks and other financial institutions in order to sufficiently support each project. Additionally, it will request credit line extensions to support the Company's expansion, aiming to enhance its liquidity. However, fluctuations in interest rates, which may occur in the future, could impact the Company's operations and cash flow. The Company does not utilize financial derivatives to hedge against such risks.

There are two interest rates for loans granted from financial institutions to the Company, divided as follows:

1. Fixed interest rate, the loans from financial institutions under lease agreements with 36 and 48 months period, with the average flat interest rate of 4 percent per annum. As of December 31, 2023, the Company's total debt was equal to 40 Million Baht and the total debt of the Company's group was equal to 48 Million Baht.
2. Adjustable interest rate based on the Minimum Loan Rate (MLR) or Minimum Overdraft Rate (MOR) of commercial banks as the lenders, which MLR is currently equal to 7.050 percent per annum and MOR is 7.575 per annum. As of December 31, 2023, the loan amount of the Company itself was equal to 5,387 Million Baht and the total loan amount of the Company's group was equal to 6,451 Million Baht.

On November 9, 2022, the Company issued unsubordinated, and unsecured debentures No. 1/2022 equal to 500,000 units with the total value of debenture was 500 Million Baht at 1,000 Baht per share, deducted debenture issuing cost 7.19 Million Baht, thus the remaining debenture value was 492.81 Million Baht. These debentures are registered and non-convertible, without collateral, and have a representative

for the debenture holders. The debentures have a maturity period of 2 years from the issuance date, with full redemption due on November 9, 2024. The debentures bear an annual interest rate of 6.90 percent (effective interest rate of 7.74 percent per annum), payable every 3 months throughout the term of the debentures.

On May 12, 2023, the Company issued unsubordinated, and unsecured debentures No. 1/2023 equal to 500,000 units with 412 Million Baht at 1,000 Baht per share, deducted debenture issuing cost 7.63 Million Baht, thus the remaining debenture value was 404.37 Million Baht. These debentures are registered debentures held by named holders, without preferential rights, without collateral, and with appointed representatives of debenture holders. The debentures have a maturity period of 2 years from the date of issuance and are due for redemption in full on May 12, 2025. The debentures carry an annual interest rate of 6.95 percent (actual interest rate of 7.75 percent per annum), payable quarterly throughout the term of the debentures.

According to the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to follow some conditions such as a limitation on the use of assets and maintaining the Net Debt to Equity ratio at a specific level.

7. The risk of not being able to respond to customer demands in the real estate business led the company to expand its investment development in real estate by partnering with other real estate development companies and undertaking projects independently under the name Mana Patanakarn Company Limited. These projects include five developments: Barane Park, Romklao Shade, Baranee Residence, Baranee Bliss Rangsit-Klong 3, and Barani Bliss (Rangsit-Ring Road) on Rangsit-Nakhon Nayok Road (Klong 5 section). Another project is the Aspen Condo project, a condominium project in collaboration with C.I.N. Estate Company Limited. The company has received positive responses from customers throughout. However, in case of market fluctuations, the Company will hire a market research firm to assist in investment decision-making before proceeding, to mitigate the risks involved in such investments.

(Million Baht)

	2023	2022	2021
Revenue from construction	10,365	11,971	9,889
Revenue from real estate development	189	415	689
Revenue with Revenue from construction (%)	1.82	3.47	6.97

8. Joint Ventures' ability or inability to comply with Joint Venture agreements. In some cases, the Company is obliged to get into bidding under the name of "Joint Venture", working hand in hand with other Joint Venture companies. However, whether working in such form will become successful or not depends on both the abilities of the Company itself and those of other Joint Venture companies. The success of operating in the form of a joint venture depends on the combined abilities of the Company and its partners. If partners encounter problems, whether financial or operational, and are unable to fulfill their contractual obligations, it will impact the joint operations. If partners can resolve issues and continue working together, the impact on the Company may not be significant. However, if partners cannot resolve issues, the Company may need to intervene. This may involve additional investment in the project to ensure continuity if the issue is financial, or sending knowledgeable personnel to address operational problems.

However, the Company has set up the Risk Management Committee to set up the risk management policy and a risk management manual, thus, risk management system has been established and minimize the number of potential causes which may cause damage to the business.

The purpose of establishing the risk management manual is to let all employees to acknowledge the importance of risk management and to get them informed of the Company's policy, including the approach to risk management in accordance with the international standard. Employees will also be informed of their duties and the methods for accurately dealing with risks in order to minimize the number of problems in different sections of work and produce good results in different aspects to all stakeholders, all employees, the Company and to the society as a whole.

The Risk Management Committee regularly holds meetings to set up the risk management policy. Moreover, the Committee helps direct, oversee, follow up and support the implementation of the risk management system to effectively get it across the organization. Its responsibility also includes the consideration of different budgets and expenses for training the employees to continuously have them gain knowledge for running the system.

The Company's risk management manual contains the policy on risk management as follows:

1. Risk management will be practiced as an organizational culture in which all employees have to learn, understand, recognize its importance, and continually adopt it.
  2. Risk management will be a single-standard process for the whole company.
  3. Risk management will be regarded as a tool for assisting the Company's business operation to achieve the goals according to its objectives.
9. The Company required to comply with the conditions of the Long-Term Loan Agreements. There are long term agreements with the Bank in the amount of 500 Million Baht, 800 Million Baht, and 500 Million Baht respectively, including debenture No. 1/2022 and no. 1/2023. The Company is required to maintain its Net Debt to Equity ratio at the end of each fiscal quarter and fiscal year according to its consolidated financial statements reviewed or audited by the auditor at the rate not more than 3.25:1 (Three point Two Five: One).

Net Debt to Equity ratio (Net D/E ratio) as defined in the Long-Term Loan Agreements between the Company and the Bank in amount of 500 Million Baht, 800 Million Baht and 500 Million Baht respectively, is as follows:

**"Net Debt"** refers to the total liabilities only with the interest-bearing debt shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents

**"Equity"** refers to the share equity of the debenture issuer/loaner as shown in the consolidated financial statement.

**"Cash and cash equivalents"** refer to the total amount of cash and cash equivalents as shown in the consolidated financial statement of the debenture issuer/loaner.

10. Ability to pay interest and ability to pay obligations, the company has an interest ability ratio of – 0.23 (Year 2023), 2.79 (Year 2022) and -1.39 (Year 2021), with an ability to pay debt obligations equal to -0.02 (Year 2023), 0.15 (Year 2022) and -0.82 (Year 2021) shows that the Company does not have enough cash from operating activities to pay interest and various obligations. The Company still has to accelerate the performance to meet the set goals. To solve the problem of delayed payment from trade accounts receivable, including the need to accelerate the production of concrete products in order to be delivered.

The Company needs to maintain the liquidity at the level that is not impact its business operation. However, there were conditions in the contracts of some construction projects specifying type and proportion of works to be delivered. This makes the Company unable to deliver work every month and has to wait until the works stated in the contract are completed. The completed works which is unable to be delivered are recorded as unbilled revenue. Likewise, for the construction projects awarded by the Government sectors, if there are any revision of construction designs or any changes affecting the contract, the amendment of contract must be completed and the Company then can claim for the payment. The amendment takes time, thus, works waiting for claim of payment are recorded as unbilled revenue as well.

The Company has three long- term long agreements with the bank as follows:

1. In 2018, the Company signed the loan agreement with the Bank in Thailand in the amount of 500 Million Baht. The said loan has monthly interest rate at the Minimum Lending Rate (MLR) of – 0.25 percent per annum, with repayment of the principal to the bank in 6-month installments, totaling 8 installments. The first installment repayment began in January 2020. Subsequently, there was an additional amendment to this loan agreement, with the bank agreeing to defer the principal repayment from July 2020 to January 2021. Repayment of the principal resumed in July 2021, with the entire debt being fully repaid by July 2025.

On October 15, 2021, the Company entered into the agreement to amend the 500 Million Baht loan agreement by changing the schedule of the loan principal repayment. The schedule is changed from repayment principal in installments for every 6 months from January 2020 to July 2023, to repayment principal every 6 months. The loan is to be repaid within July 2025. In addition, the Company is granted a grace period of loan repayment from January 2022 to December 2022.

On October 19, 2022, the Company entered into an amendment to the 500 Million Baht loan agreement to change the interest rate since November 1, 2022. The Company agrees to pay interest at the rate of MLR-1.50 percent per annum. In addition, the Company is granted a grace period for loan principal repayment from January 2022 to December 2025. After the grace period, loan principal is to be repaid every 6 months, with the first installment due in January 2026 and the loan to be repaid in full within August 2028.

On November 22, 2023, the Company entered into an amendment to the 500 Million Baht loan agreement to change the interest rate. The Company agrees to pay interest at the fixed rate of 4.00 percent per annum from November 30, 2023 to December 31, 2025. After January 1, 2026, the Company agrees to pay interest at the rate of MLR-1.50 percent per annum instead.

2. In 2020, the Company signed the loan agreement with the Bank in Thailand in the amount of 800 Million Baht. The said loan has monthly interest rate at the Minimum Lending Rate (MLR) of – 0.50 percent per annum. The repayment installment of long-term loan is every 6 months or 10 installments starting from August 2021 to February 2026.

On August 24, 2021, the Company entered into the agreement to amend the 800 Million Baht loan agreement by changing the schedule of the loan principal repayment. The schedule is changed from repayment principal in installments for every 6 months from August 2021 to July 2026, to repayment principal every 6 months in totally 13 installments, beginning in August 2022. The loan is to be repaid within August 2028.

On October 19, 2021, a subsidiary entered into an amendment to the 14 Million Baht loan agreement to change the interest rate starting from November 2022. The Company agreed to pay interest at a rate of MLR -1.50 percent per annum. The Company received a grace period for the principal from February 2023 to January 2026. Upon completion of the grace period, the Company agreed to repay the loan in installments every 6 months starting from February 2026 and the loan to be repaid in full within April 2031.

On November 22, 2023, the Company entered into an amendment to the 800 Million Baht loan agreement to change the interest rate. The Company agrees to pay interest at the fixed rate of 4.00 percent per annum from November 30, 2023 to December 31, 2025. After January 1, 2026, the Company agrees to pay interest at the rate of MLR-1.50 percent per annum instead.

3. On December 2022, the Company signed the loan agreement with the Bank in Thailand in the amount of 500 Million Baht and agreed to receive the loan on January 18, 2023. The said loan has monthly interest rate at the Minimum Lending Rate (MLR) of – 1.50 percent per annum. The repayment installment of long-term loan is every 6 months or 9 installments starting from November 2027.

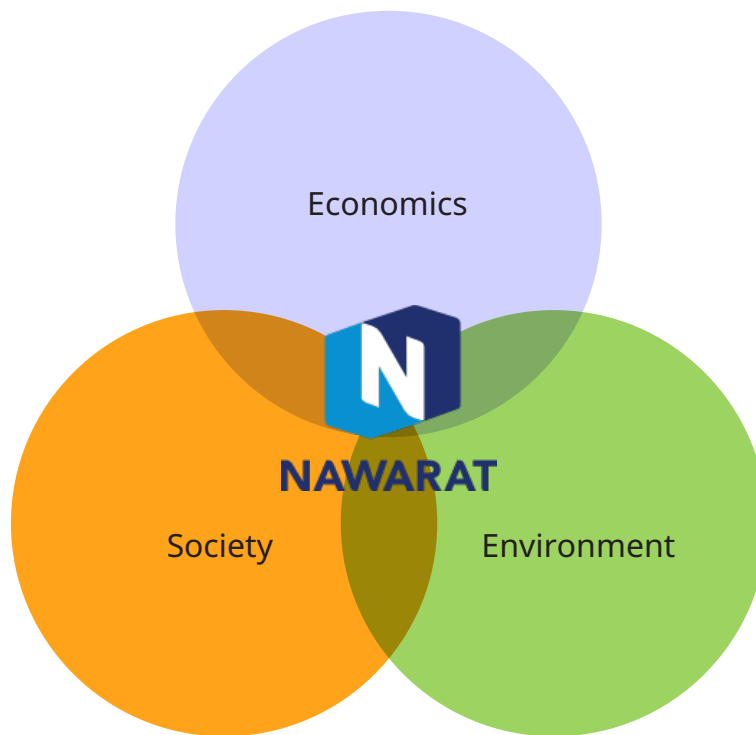
On November 22, 2023, the Company entered into an amendment to the 500 Million Baht loan agreement to change the interest rate. The Company agrees to pay interest at the fixed rate of 4.00 percent per annum from November 30, 2023 to December 31, 2025. After January 1, 2026, the Company agrees to pay interest at the rate of MLR-1.50 percent per annum instead. And the Company has been granted a grace period for principal repayments from November 2023 to October 2025. Upon the completion of the aforementioned grace period, the Company agreed to repay the loan principal in installments every 6 months, starting from November 2025, and the loan to be repaid in full within November 2027.

However, the above three long term loan agreements have indicated some conditions and limitations such as maintaining Net Debt to Equity ratio (Net D/E ratio) at the rate of not more than 3.25:1 at the end of the quarter and year end period, dividend payment shall not be allowed unless the bank deemed the dividend payment will not affect the Company's ability to make the repayment.

### 3. Driving Business Towards Sustainability

#### 3.1 Sustainability Policy

The Company shall conduct the business in accordance with the Sustainability Policy, good corporate governance principles and business ethics in order to drive the Company's growth in a stable and sustainable way. Sustainability Policy was approved by the Board of Directors' Meeting in order to determine a sustainable operational framework in relation to economy, society, and environment while taking shareholders, investors, and stakeholders into account. The Company has communicated the policy towards committee, executives, employees and stakeholders through email and the Company website. The Sustainability Policy consist of the following aspects;



#### Economic Aspect

- Manage business in compliance with the good corporate governance principles, business code of conduct, anti-corruption, including adhere to the laws, announcements and related regulations.
- Efficiently operate business with competitive advantage in order to ensure secure and sustainable business growth.
- Manage business in accordance with the industry standard, including taking into account quality of work and customer satisfaction.
- Treat all business partners/ contractors with fair and equal treatment in order to be consistent with transparent and auditable procurement procedure.

#### Social Aspect

- Comply with labor law, international labor standards, and human rights without discrimination.
- Support the development of employees' competencies and provide appropriate welfare for the better quality of life.
- Conduct business by taking into account on occupational health and safety of employees and stakeholders.
- Adhere with social responsibility as a good corporate citizen by developing and promoting internal and external community engagement, in order to create mutual benefits.

## Environmental Aspect

- Strictly and efficiently operate business in accordance with the international standard of environmental management.
- Manage environmental resources throughout operational process with 3Rs approach (Reduce, Reuse and Recycle), in order to maintain balance in an ecosystem.
- Set up process and channel to receive any complaints regarding to environmental impact as well as provide the relief measures for internal and external aspects, take all comments into consideration in order to suggest further solutions and mutually initiate preventive measures.
- Promote, support and participate in any activities to ensure environmental awareness among stakeholders.

## Preparing Report

The Company recognizes and emphasizes its goal to operate sustainable business through sustainable practice and simultaneously develops the business in relation to economy, environment, society, by complying with the good corporate governance principles. The Company aims to communicate towards internal and external stakeholders, for instance, employees, shareholders, investors, customers, and subcontractors, to constantly deliver sustainability management framework in order to achieve the objective of information disclosure in accordance with accuracy, transparency, and meet the stakeholders' expectation.

The Company has constantly prepared an annual sustainability development report for the sixth year in a row, with an intended to disclose significant information including policy, strategy, sustainable development guideline, and the overall operation regarding the corporate governance, economic, social, and environmental aspects. The content and framework of the sustainability development report for the period during January 1, 2023 – December 31, 2023 shall cover the material issues which affect the sustainable business operation of the Company.

## Reporting Guidelines

This sustainability development report shall reveal the sustainable practice including the material issues in relation to economy, environment, and society by referring to the Global Reporting Initiatives (GRI Standard). The disclosure shall be on 'In accordance criteria' and on 'Core Option' basis which are accepted by international standard, as it completely provides all aspects relevant to sustainability.

## Reporting Scope

The Company organizes the annual sustainability report by scoping the content from business relevance, information availability, and impact on the main business which are construction and real estate. Therefore, the content and framework of this report will be related to sustainability regarding economic, social, and environmental aspects which have an impact on business operation and related stakeholders. The Company shall prepare the sustainability report annually and constantly store data in order to sustainably develop itself further.

Apart from the information disclosed in this report, the stakeholders could follow the business performance via [www.nawarat.co.th](http://www.nawarat.co.th) which available in both Thai and English versions. The GRI indicator also been attached at the end of this report for your convenience.

## Information enquiry

For any enquiries or further information, please contact:

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## Stakeholders' Engagement

The Company defines stakeholders into 7 groups; 1) shareholders 2) customers 3) business partners/contractors 4) creditors 5) employees 6) government agencies 7) communities, society, and environment. The Company analyzed and assesses all groups of stakeholders to recognize their expectations and initiate the operational framework for each group of stakeholders. To encourage more engagement and response to their needs, the Company has determined framework as follows:

Stakeholders	Performance Framework	Expectation	Response	Outcome
Employees	<ol style="list-style-type: none"> <li>1. Organizing discuss session with CEO and executives</li> <li>2. Providing coaching session/ seminar</li> <li>3. Constantly communicating news through internal channel</li> <li>4. Accepting suggestion/ criticism</li> <li>5. Creating a safe working environment</li> <li>6. Focusing on development of living skills to enhance living quality</li> </ol>	<ol style="list-style-type: none"> <li>1. Reasonable remuneration and welfare</li> <li>2. Safety working environment</li> <li>3. Appropriate welfare and pleasant workplace atmosphere</li> <li>4. Employees' knowledge and competency development and enhancement</li> <li>5. Equitable and fair treatment</li> <li>6. Freedom of expression and suggestion</li> <li>7. Confidential channel for petition</li> </ol>	<ol style="list-style-type: none"> <li>1. Reasonably manage remuneration and welfare</li> <li>2. Initiate effective Human Resource management system</li> <li>3. Promote and enhance employee's competency</li> <li>4. Continuously improve coaching skills and competency program for each position</li> <li>5. Provide and training employees in relation to safety working environment</li> <li>6. Create organizational chart in order to clarify position hierarchy and to enhance promotion opportunity</li> </ol>	<ol style="list-style-type: none"> <li>1. Pleasant workplace</li> <li>2. Employees bound with the organization</li> <li>3. Happy workplace</li> <li>4. Employees are able to enhance their abilities and be able to achieve the Company's goal</li> </ol>
Shareholders/ Investors /Analysts	<ol style="list-style-type: none"> <li>1. Annual General Meeting of Shareholders</li> <li>2. Annual report</li> <li>3. Opportunities Day with SET in each quarter</li> <li>4. Meeting with shareholders, investors, and analysts</li> </ol>	<ol style="list-style-type: none"> <li>1. High operational performance and significant return which generates dividends</li> <li>2. Executives' vision</li> <li>3. Equitable treatment with shareholders</li> </ol>	<ol style="list-style-type: none"> <li>1. Operating business in compliance with the good corporate governance principles, which are verifiable</li> <li>2. High operational performance and significant return on investment</li> </ol>	<ol style="list-style-type: none"> <li>1. Shareholders secured with their investment</li> <li>2. Gain higher operating results</li> </ol>

Stakeholders	Performance Framework	Expectation	Response	Outcome
	5. Having communication channel such as, website, e-mail, telephone, mail, etc. 6. Receiving suggestions and criticism through Company's petition system 7. Information disclosure via Company's website in the 'Investor Relations' section	4. Management in compliance with the good corporate governance principles which are verifiable 5. Sustainable business growth 6. Accurately disclosure information in a timely manner 7. Approachable and convenient communication channel	3. Ensure the accurately, completely, transparency and timely information disclosure 4. Generating trustworthiness towards shareholders and investors 5. Equitable treatment of all shareholders, including minority shareholders 6. Apply good corporate governance and risk management	
Customers	1. Visiting customers constantly 2. Identifying and standardize working procedure 3. Communication through various channels 4. Annually surveying customers' satisfaction 5. Company's petition system for customer's feedback	1. Delivering projects which meet standards and regulations 2. Delivering projects on schedule 3. Providing quality assurance and after service 4. Safety during construction process 5. Environmental impact assessment in compliance with environmental law 6. Collaborate with customers' representative 7. Corporate governance	1. Delivering projects which meet standards and on schedule 2. Treating customer policy 3. Committing to develop product and serving customers with quality service	1. Customers satisfy with Company's services 2. Sustainable operating results 3. Obtaining customers' trustworthy and reliability towards Company's products and services

Stakeholders	Performance Framework	Expectation	Response	Outcome
Business partners/ Contractors/ Vendors	<ol style="list-style-type: none"> <li>Equitable treatment of all business partners/ contractors/ vendors</li> <li>Standardize transparent and auditable procurement including assessment procedure</li> <li>Constant meeting/ discussion/ conversation</li> <li>Hosting and participating in various activities</li> <li>Communication through various channels</li> <li>Receiving suggestion and criticism</li> </ol>	<ol style="list-style-type: none"> <li>Equitable treatment of all business partners/ contractors/ vendors</li> <li>Compliance with trade terms</li> <li>Financial stability and business growth</li> <li>Solving problem mutually</li> <li>Corporate governance</li> </ol>	<ol style="list-style-type: none"> <li>Strictly compliance with contracts' terms and conditions</li> <li>Business partner assessment in relation to effectiveness</li> <li>Reasonable returns and punctual payment</li> <li>Code of conduct for business partners/ contractors/ vendors</li> <li>Constant and equitable operational collaboration</li> </ol>	<ol style="list-style-type: none"> <li>Specialize and qualified contractors</li> <li>Special bond with business partners</li> <li>Constant operational collaboration</li> <li>Mutual business growth</li> </ol>
Creditors	<ol style="list-style-type: none"> <li>Annual report</li> <li>Meeting</li> <li>Receiving suggestion and criticism</li> </ol>	<ol style="list-style-type: none"> <li>Punctual Payment</li> <li>Compliance with terms and conditions</li> <li>Steadiness of revenue and source of fund</li> <li>Management in compliance with the principle of good corporate governance</li> <li>Customers' base</li> </ol>	<ol style="list-style-type: none"> <li>Compliance with loan covenants and conditions</li> <li>Strictly compliance with financial institution terms</li> <li>Punctual Payment</li> </ol>	<ol style="list-style-type: none"> <li>Generating confident regarding Company's operating results and strengthen relationship with financial institutions</li> <li>Providing constant financial support to the Company</li> </ol>
Government Agencies	<ol style="list-style-type: none"> <li>General discussion</li> <li>Meeting</li> <li>Constantly participating in government activities and projects</li> <li>Reporting operational performance to related government agencies</li> </ol>	<ol style="list-style-type: none"> <li>Compliance with regulations and laws</li> <li>Collaboration with government agencies</li> <li>Preventing corruption</li> <li>Political neutrality</li> </ol>	<ol style="list-style-type: none"> <li>Compliance with regulations and rules</li> <li>Participating and supporting government activities</li> <li>Business operation without corruption</li> </ol>	<ol style="list-style-type: none"> <li>Gain trustworthiness among government agencies</li> <li>Being a trustworthy entrepreneur</li> </ol>

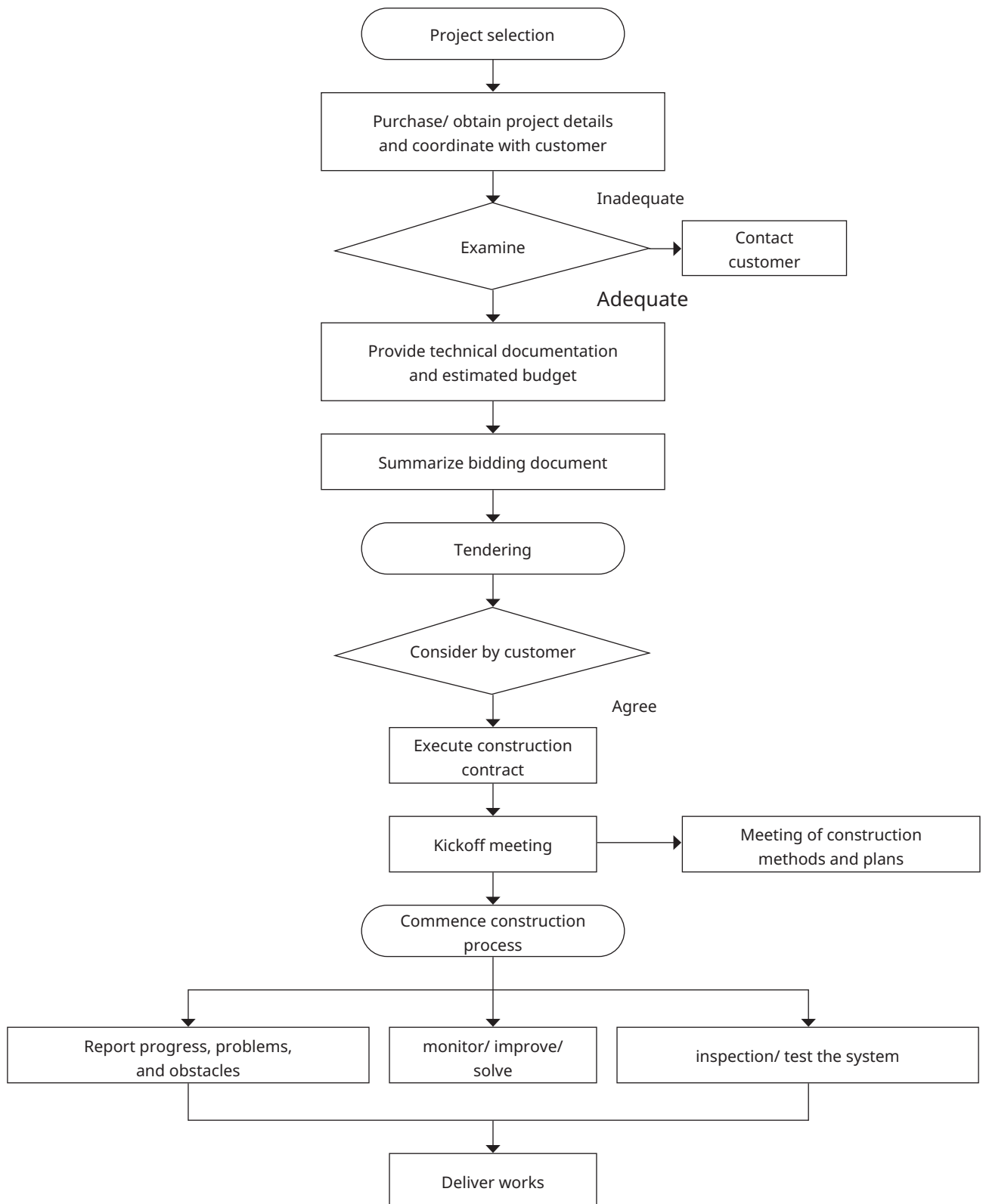
Stakeholders	Performance Framework	Expectation	Response	Outcome
Communities, Society, and Environment	<ol style="list-style-type: none"> <li>1. Hosting activities for communities and society</li> <li>2. Having regular meeting with local communities in person, including indirect stakeholders</li> <li>3. Providing communication channel for petition</li> </ol>	<ol style="list-style-type: none"> <li>1. Safety construction</li> <li>2. Managing impacts on community and environment</li> <li>3. Legal Compliance</li> <li>4. Supporting and improving communities</li> </ol>	<ol style="list-style-type: none"> <li>1. Business operation in compliance with standard and safety regulations</li> <li>2. Constantly monitoring and managing environmental quality</li> <li>3. Managing and curing towards stakeholders who affected by operational construction</li> <li>4. Environmental Policy</li> <li>5. Code of conduct for communities and society</li> <li>6. Promoting and supporting community activities in terms of education, religion, and charity</li> </ol>	<ol style="list-style-type: none"> <li>1. Gain acceptance among communities and society</li> <li>2. Positive record regarding employees' health and safety</li> <li>3. Effective business operation</li> </ol>

## Value Chain Analysis

The Company is committed to be a leader in the construction field by developing and advancing business to benefits stakeholders with care and responsibility. The Company aims to give customers confidence in the Company's products and services, ensure construction work has met customer's expectations in accordance with engineering standards. The Company expects the following process throughout the value chain activities.

Value chain activities	Related process	Stakeholders
Select bidding project to participate bidding in order to increase the opportunities to undertake construction project and generate operating income.	<ul style="list-style-type: none"> <li>Research for construction bidding based on the Company's competencies and operational efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Customers               <ul style="list-style-type: none"> <li>Public sector</li> <li>Private sector</li> </ul> </li> <li>Competitors</li> </ul>
Participate in construction bidding in order to increase the opportunities to undertake construction projects which is a major business of the Company.	<ul style="list-style-type: none"> <li>Explore terms and details from tender documents or bidding announcements.</li> <li>Summarize project details and evaluate the opportunity to participate in bidding based on the Company's competencies.</li> <li>Set up the meeting to indicate construction site, terms, tendering budget, and create the bidding document for the project.</li> <li>Participate in tendering session and monitor the result.</li> </ul>	<ul style="list-style-type: none"> <li>Customers               <ul style="list-style-type: none"> <li>Public sector</li> <li>Private sector</li> </ul> </li> <li>Employees</li> </ul>
Execution of construction contract and contraction process.	<ul style="list-style-type: none"> <li>Summarize bidding result and schedule the project's commencement date.</li> <li>Process the contract between the Company and the project owner, including assign operation team regards to construction process.</li> <li>Conduct construction process in accordance with the contract details and also consider the following matters               <ul style="list-style-type: none"> <li>Consider legally labor and contractor</li> <li>Select construction materials according to customers' and project owners' needs, that are appropriate and align with engineering standards.</li> <li>Comply with the regulations and related laws.</li> </ul> </li> <li>Report progress, problems and obstacles of the project/ monitor/ improve/ solve the project in accordance with the contract details/ inspection/ test the system in accordance with the purpose of construction, regulation, or contract details.</li> </ul>	<ul style="list-style-type: none"> <li>Customers               <ul style="list-style-type: none"> <li>Public sector</li> <li>Private sector</li> </ul> </li> <li>Employees</li> <li>Contractors</li> <li>Business partners</li> <li>Consultants</li> <li>Government agency</li> <li>Communities and environment</li> </ul>
Deliver the construction work to the project owner within the schedule as mentioned in the construction contract.	<ul style="list-style-type: none"> <li>Deliver the construction works within the time schedule as agreed with project owner.</li> </ul>	<ul style="list-style-type: none"> <li>Customers               <ul style="list-style-type: none"> <li>Public sector</li> <li>Private sector</li> </ul> </li> <li>Employees</li> <li>Contractors</li> <li>Consultants</li> </ul>

## Process of Construction Project



## Materiality and Stakeholder Assessment

### Materiality assessment process

The materiality assessment process for the year 2023, the Company organized the meeting of functional committee to identify and prioritize the sustainability issues. The outcome has been analyzed and assessed with consideration of the impact on the Company's sustainable development and the expectation level of stakeholders, both inside and outside the organization. The assessment was developed based on the procedure of Global Reporting Initiatives Guideline as follows;

Issue identification	<ul style="list-style-type: none"> <li>The meeting of functional committee urged for suggestion and clarification of stakeholders' expectation to identify and design the framework of sustainability issues. The results has been presented to the Company's executives.</li> </ul>
Issue prioritization	<ul style="list-style-type: none"> <li>The issues have been assessed through 1-5 levels and prioritized by considering its degree on the stakeholders' expectation which impact operational business in terms of economy, society and environment.</li> </ul>
Reviewing material issues in the report	<ul style="list-style-type: none"> <li>The Company's executives have reviewed and agreed on the material sustainability issues and reporting framework which covers economic, social, and environmental issues. The accuracy review has been made on the information provided herein.</li> </ul>

### Material Issues Evaluation Result

The Company identified the material issues that are essential for sustainable development by organizing the functional committee meeting, which consists of relevant departments in the organization. The information of the stakeholders' participation has been gathered and prioritized. The prioritization was done by considering the issues that have a high level of influence on the assessment and decision-making of the stakeholders, and the significant level of impact on the economy, society, and environment as follows;



Material sustainability issues according to GRI aspect	Reporting framework		Aspect GRI G4
	Internal	External	
<b>Economic</b>			
1. Business operation in compliance with the good corporate governance principles	- Employees	- Shareholders	- Good corporate governance
2. Quality and safety of works		- Investors	- Corporate governance policy
3. Anti-corruption		- Creditors	- Respecting others' properties, intellectual properties, and copyrights
4. Responsibility on products and services		- Business partners/	- Information disclosure and transparency
5. Procurement procedure		contractors	- Anti-corruption
6. Equitable treatment to business partners and contractors		- Customers	- Customers' relationship management and performance contribute to customers' satisfaction
		- Government agencies	
<b>Social</b>			
1. Capacity enhancement for employees (LA9 LA10 LA11)	- Employees	- Community	- Employees' development
2. Community development and engagement			- Internal process in relation to conducting business with social and environmental responsibility
3. Employment (LA1 LA2 LA3)			- External process in relation to conducting business with social and environmental responsibility
4. Concerning the impacts on communities and society			- Equitably treatment to workers
5. Human rights			- Preventing and mitigating negative impact on society resulting from the construction process
6. Customers' health and safety			
7. Legal Compliance			
<b>Environmental</b>			
1. Environmental management	- Employees	- Community	- Occupational health and safety management
2. Occupational environment, health, and safety			- Environmental management
3. Resources' consumption			- Monitoring occupational health and safety
4. Air pollution			- Environmental operation
5. Wastewater and waste			
6. Complaint mechanism for environmental impact			

## 3.3 Environmental Aspect of Sustainability Management

### 3.3.1 Environmental Policy and Practice

The Company recognizes the importance of environmental management for all operational processes according to the Company's environmental policy, and strictly adheres to the applicable laws to control and mitigate the environmental impact caused by the operation. The Company applied a high standard and modernized technology and technique that complies with the quality management standard according to the international standardized system, to create satisfaction of customers on the organization's products and services, and other related requirements and standardized international practices. The Company requires the management and project managers of every project to prepare a management system and work plan concerning safety and occupational health in the workplace as well as a monitoring plan to mitigate the impact on the community and environment. The Company also requires its employees at all levels to pass the training process and have a regular, continuous, and serious audit system in order to create safety and ensure the least impact on the employees, people, and nearby community due to efficient measures and management plan.

The Company conducts business with responsibility to its communities, society, and environment, thus the Company has implemented Environment Management System; ISO 14001 in order to reduce the environmental and societal impact. The Company has requested to set up the system since August 2013. Moreover, the Company has set up the Corporate Social and Environmental Responsibility Committee to manage and develop an environmental management system, which leads the Company to operate smoothly and able to achieve the Company's purpose. This is to ensure all stakeholders that the Company has the right environmental management system. The committee has to report the performance of environmental management to the executives. In the case of a negative issue found, the committee has to monitor and control until the issue has been fixed in accordance with the procedures. In addition, the committee is responsible for the verification of the environmental management system, assessing, training, and conducting public relations to raise environmental awareness for the entire organization.

At present, the Company has been certified by Bureau Veritas Certification (Thailand) Ltd. that the environmental management system of the Company's headquarter has been audited and found to be in accordance with the requirements of the environmental management system standard (ISO 14001: 2015). In addition, the factories and construction projects are in the process of applying for certification as well.

ISO 14001:2015 is an environmental management system developed in September 1996 to enable an organization to implement a system for maintenance, control, and improve the quality of the environment. As well as, protecting the hygiene of human beings. The system includes planning and setting the guideline with objectives, to protect and reduce pollution from its origin. Emphasized impacts or possible impacts on the environment originating from the organization's activities, production process, and services by carefully considering materials acquisition, design, research and development, delivery, application according to its purpose, reusing, efficient resources utilization, avoidance of dangerous chemicals which is proper and provide an effective environmental management system.

In addition, the Company established the Environment Department to supervise and manage environmental matters exclusively, including raising awareness, promoting, and encouraging participation in environmental management activities with all employees.

### 3.3.2 Environmental Operations Management

All working areas, whether in offices, construction sites, factories, storage spaces, workers' camps, and surrounding areas strictly complied with the environmental management.

Headquarter	Construction sites / Factories	Workers' Camps	Surrounding Areas
Ensure efficient usage of resources and conduct environmental management	Focus on keeping the area of construction and factory clean and free of dust, noises, vibration, wastewater, bad vision, or other impacts.	Maintain the quality of environment and sanitation in workers' camps; plan the layout for tidiness according to occupational health principles in order to ensure the quality of the workers' life.	Regularly inspect environmental conditions around the construction sites. If any environmental issue occurs, difficulties may affect the neighboring area or communities. Therefore, problem-solving shall be executed immediately.

#### Environmental Operating Outcomes

##### Sustainable use of natural resources

##### Electricity Usage

The Company has managed electricity usage at the headquarter. The Company has successfully achieved the goal with the lower electricity usage rate which could reduce the Company's expenditure. However, the Company has installed LED light bulbs in the year 2023 per below.

Detail	2018	2019	2020	2021	2022	2023
Electricity usage (Kw/h)	506,415.49	530,781.01	459,901.01	474,842.63	543,223.12	503,187.01
Electricity cost (Baht)	2,980,255.14	3,123,646.24	2,706,517.44	2,794,448.86	3,325,966.64	3,393,031.04
Greenhouse gas emission (Tons of CO <sub>2</sub> )	267.44	280.31	242.87	250.76	259.87	251.54

##### Greenhouse gas emission

In the year 2023, the Company has set up and announced a greenhouse gas emission policy to use internally. The policy helps identify the goal to reduce greenhouse gas emissions from business operations. The Company has set the goal in accordance with the United Nations Framework Convention on Climate Change, the Paris Agreement, and COP26, which has the vision to become carbon neutral by the year 2050 and reduce all greenhouse gas emissions to net zero by 2065. The Company aims to be a low-carbon and sustainable organization. The directors, executives, and employees have been informed, trained, and encouraged to help the Company reduce greenhouse gas emissions throughout the business operation. In addition, knowledge-sharing sessions by external and internal organizations have been held.

## Renewable Energy Consumption

Solar rooftop is a system that converts sunlight into electrical energy through solar panels or photovoltaic cells. The panels are installed on the roof to be exposed to the sunlight and generate direct current (DC) power accordingly. After that, the inverter will convert DC power into alternating current (AC) power to be used in factories as well as to sell the power to government agencies or public sectors.

The Company conducts the business according to the Environmental, Social, and Governance Framework (ESG) to reduce emissions by installing solar panels at the processed steel plant, in Bang Nampreaw, Chachoengsao.



Image: Solar panels at the processed steel plant, Bang Nampreaw, Chachoengsao

The comparison of electricity usage \*(kwh) between 2022 and 2023

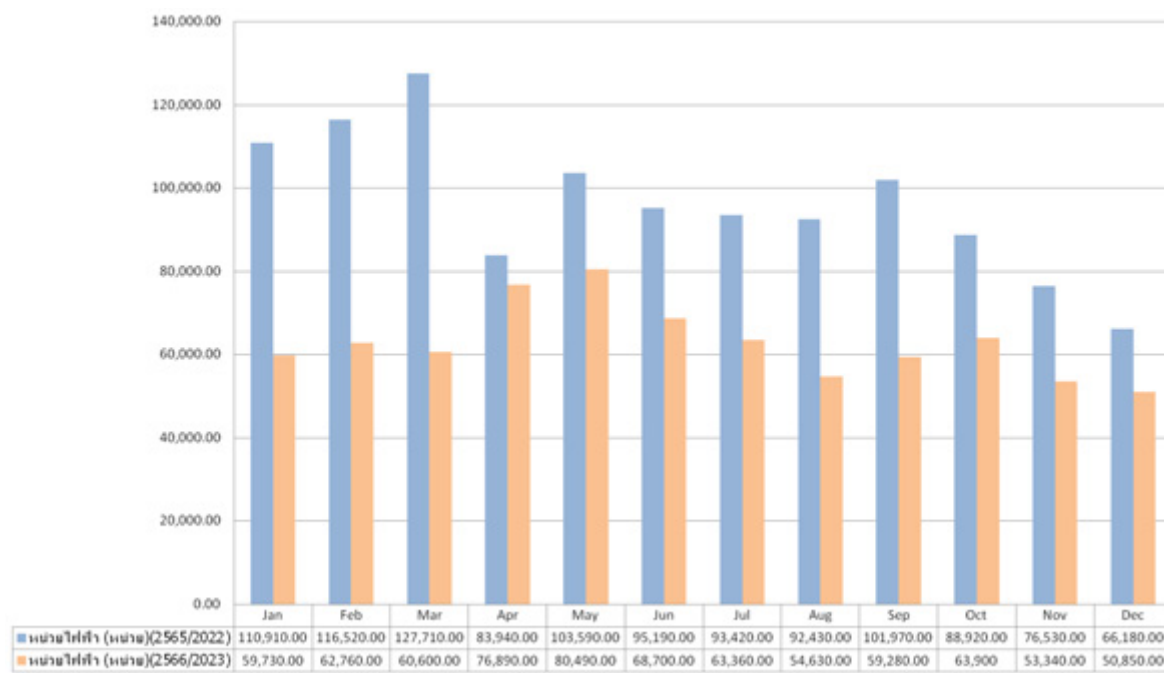


Image: The chart of electricity usage at the processed steel plant, Bang Nampreaw, Chachoengsao

According to the above chart, electricity usage between the years 2022 and 2023 at the processed steel plant, Bang Nampreaw, Chachoengsao, has declined which decreased the cost accordingly.

## Water Management

### Water Usage

The Company has implemented water management with wastewater treatment approach and reused the water at working unit N.081: materials and unused equipment center. The water has been reused for a damp down surface in the site to prevent dust from spreading, and has been used with nearby agriculture activities. This practice has been conducted continuously.



Image: Wastewater treatment and water reuse at working unit N.081

Advance Prefab Company Limited has collected the data of water released and water consumption, and further submitted the data and required documents (TorSor.1 and TorSor.2) to related government agency, while working units collected data on water consumption from the working units' meter.

### Wastewater management

The Company recognized the important of wastewater management and determined measures for wastewater management as follows. The measures are applicable for construction sites and factories where the operation such as construction activities, employee activities, and material residues may generate wastewater.

Sources of the wastewater can be categorized as follows:

- Wastewater from kitchens and containers washing shall be treated primarily in grease trap tanks before releasing into the ready-to-install wastewater treatment tank.
- Wastewater from toilets shall be treated with microorganisms in the ready-to-install wastewater treatment tank before releasing into the public water resources.
- Wastewater, tap water, or rain, contaminated with oil, trash, or other chemical residues from washing hands, feet, road surfaces, or washing water of worker's vehicles shall be treated properly before releasing into the public water resources.
- Other wasted water within the Company's construction sites.



Image: Installation of wastewater treatment tanks or concrete pond systems for wastewater treatment

2. Installation of sludge scraper or sedimentation tanks to hold sludge from the treated water before such water is being released into public drainage.



Image: Drainage way and sedimentation tank

3. Water that can be released into the public drainage must meet the quality according to the criteria stipulated by the laws. The environmental officer or the authorized person shall contact the external officer (third party) in order to take a sample of the Company's released water to test and analyze the quality. The quality of the released water must be tested at least twice a year.



Image: Testing and analyzing the quality of the released water by the authorized company

4. Regularly inspect and maintain the equipment in wastewater treatment systems such as grease trap tanks, wastewater treatment tanks, and aerator pumps. If there is any defect found, maintenance shall be performed immediately



Image: Inspection of the equipment in wastewater treatment system

5. Clean the grease trap tanks, sludge scraper/ sedimentation tanks, and drainage pipe on a regular basis according to the cleaning plan as follows:

No.	Activity	Frequency
1	Remove waste food and dirt from the grease trap	Once a week
2	Clean the grease trap tanks	Once a year
3	Pump the water from sludge scraper or sedimentation tanks	Once in 1 - 3 months
4	Clean the treatment tanks	Once a year
5	Clean the drainage pipe	Once in 1 - 3 months
6	Empty septic tanks	Once in 6 - 12 months

The Company strictly complies with environmental laws and regulations, including recognizing the environmental impact that might happen. For the headquarter (rental building), the Company has requested the document of water quality assessment from Bangna Tower building, which reflected that the released water has passed the standard. The Company targeted to inspect wastewater management once a year.

The image shows a Thai Water Quality Analysis Report. It includes details about the client (Bangna Tower), the analysis date (March 2023), and a table of test results. The table lists various parameters such as pH, temperature, total dissolved solids (TDS), and total suspended solids (TSS), along with their measured values and the corresponding standards.

Parameter	Unit	Value	Standard	Remarks
pH		7.2	6.5 - 8.5	
Temperature	°C	28.5	15 - 30	
Total Dissolved Solids (TDS)	mg/L	45	500	
Total Suspended Solids (TSS)	mg/L	25	500	
Ammonia Nitrogen (NH3-N)	mg/L	0.1	1.0	
Chloride (Cl-)	mg/L	100	1,000	
Sulfate (SO4=)	mg/L	150	1,000	
Hardness (CaCO3)	mg/L	150	1,000	

Image: Analysis results regarding the quality of the released water from Bangna Tower building



Image: Inspection at Bangna Tower building in the year 2023

## Waste and Garbage Management

### Garbage Management

The Company has implemented garbage management and recorded the amount of waste per kilogram by cleaning staff. The record data will be used for performance assessment in the next year.

Year	2021	2022	2023
General Waste	5,955	3,181.5	10,889
Recycleable Waste	103	11.9	231
Hazardous Waste	0	0	0

From the figure, greenhouse gas has been emitted from the garbage by the headquarters' employees activities. From the period of March to December, the total number of greenhouse gas emission is 5,140 kgCO<sub>2</sub>e. The highest volume is in June which reached 761 kgCO<sub>2</sub>e.



Image: waste management at the headquarter

## Waste/ garbage management system

The Company stresses the significance of efficient waste/ garbage management to promote a great environment and minimize environmental impacts. The Company determined the measures for waste/garbage management as follows:

1. Implementation of the 3R approach within the Company, namely: 2. Waste separation has been advertised through an awareness and education campaign which described the types of waste as follows:

- Reduce: reduce materials and product utilization to reduce the amount of waste.
- Reuse: reuse materials and products that are reusable.
- Recycle: bring back and process materials and products which already been used to make them useable again.

2. Waste separation has been advertised through an awareness and education campaign which described the types of waste as follows:

- 1) General waste means the leftovers or unwanted stuff arising from general activities of the Company, which are possible to bury in a landfill without any damage to the environment such as paper scraps, cloth residues, food, products, plastic bags, food packages, and foam boxes for containing food.
- 2) Recyclable waste means the waste that is still usable such as papers, paper boxes, cans, glass residues, and metal residues.
- 3) Dangerous waste means poisonous garbage or chemical containers such as light bulbs, batteries, oil-stained clothes, used oil tanks, paint cans, and plastic chemical cans.
- 4) Hard-degradable waste means unwanted garbage left from the Company's

The Company provides different colors of garbage for separating the different types of waste within the offices, factories, and construction sites as follows: Color Category.

Color	Category	Type of Waste
Green	General Waste	paper scraps, cloth residues, food, products, plastic bags, food packages, foam boxes for food containing
Yellow	Recyclable Waste	papers, paper boxes, soda cans, glass residues, metal residues
Red	Dangerous Waste	light bulbs, batteries, oil-stained cloth, used oil tanks, paint cans, plastic chemical cans
Blue	Hard-degradable waste or unwanted garbage from operation	cement residues, concrete waste, steel scraps



Image: Waste management by separating the type of waste

3. Removal of material residues and garbage from the construction sites once a week. In case the removal of the material residues from construction activities is not ready, those residues must be securely covered.



Image: Collecting material residues and garbage from the construction sites

4. Collecting the leftover construction materials and material residues separately to process those wastes properly.



Image: Collecting the leftover construction materials at construction sites

## Environmental Management Measures

### Air pollution management

The Company's operation may generate air pollution, therefore, the Company determined measures to mitigate the impact on air quality as follows:

1. To monitor and measure air quality on a regular basis in order to reduce or control air pollution caused by machines, production processes, or construction.
2. To control pollution caused by vehicles in the construction area. For example, limiting vehicles' speed, inspecting the engine conditions for complete combustion, and stopping the engine whenever parking, including other activities such as covering construction materials and material residues with canvas.



Image: Engine inspection

3. To provide personal protection equipment for workers who work in air pollution-generating areas.
4. To install fall protection or safety nets to catch construction materials that may fall from overhead construction activities in order to prevent such materials from spreading and for safety reasons.



Image: Installation of safety net to catch construction materials from high-level work

5. To wash truck wheels every time before leaving the construction sites to prevent soil from falling and becoming dust particles that may diffuse.



Image: Washing vehicle wheels

6. To make sure every truck will be covered by canvas before leaving the construction site to prevent construction materials from falling onto the roads, for the safety of the road users.



Image: The truck is completely covered by canvas

7. To cover canvas over construction materials and material residues in construction areas in order to prevent air pollution.



Image: Construction materials and material residues are covered by canvas

8. To ensure that construction activities are carried out within construction sites which required at least two meters height fences to be installed around the construction site.



Image: Installation solid fences around construction site

9. To regularly clean up soil and sand particles outside the fences. And wash surrounding roads that connect to the construction areas.



Image: Cleaning up public areas around the construction site

10. To regularly damp down surfaces in construction sites, with open-cut excavation, with water at least twice a day in order to prevent dust from spreading.



Image: Damping down surface with water

11. To provide dust proof fences for construction sites with concrete mix activities or using materials that may cause the spread of dust.



Image: Dustproof fences

## Noise pollution management

There are two types of noise pollution from construction which are noise from construction vehicles and noise from construction machines. Therefore, the Company determined measures to mitigate the impact of noises as follows:

1. To carry out noise-generating construction activities within the specified period. And give advance notice to nearby communities, if the activities shall continue after the specified period.



Image: public relations activities

2. To impose measures in order to prevent noise impact, such as installation of solid fences or temporary soundproof wall around construction area.



Image: Installation of the solid fences around the construction area

3. To regularly monitor and test noise quality to mitigate or control noise pollution caused by the machines, production process, or construction.

4. To maintain the engine conditions to ensure the completed combustion and stop the engine when parking the vehicles.

5. To provide noise protection for workers who are working in a noise-generating area.

## Vibration Management

The vibration from the construction site may affect the stability of the nearby structures, the Company has managed the vibration according to the Notification of the National Environment Board No. 37 B.E. 2553 regarding the Prescription of Standard of Vibration for Avoidance of Impact on Buildings.



Image: Monitoring construction vibration

## Vibration Management

The vibration from the construction site may affect the stability of the nearby structures, the Company has managed the vibration according to the Notification of the National Environment Board No. 37 B.E. 2553 regarding the Prescription of Standard of Vibration for Avoidance of Impact on Buildings.

## Green Activities

Apart from the environment management activities, the Company aims to raise awareness and foster environmental awareness among executives and employees. Therefore, the Company organized green activities such as:

- Issued an internal journal called “Green Way” on a monthly basis to communicate environmental information to all employees.
- Issued “The Environmental Operation Manual” brochure with various topics.
- Issued “The Environmental Management System ISO14001:2015” and environmental operation procedure brochure.
- Issued signboard campaign regarding energy-saving and resource utilization.



Image: “Green Way” journal

## Environmental Awareness Training

The Company is committed to supporting environmental awareness training in order to raise environmental matters among employees.

[illegible]

Image: Environmental awareness training via Google Form

## Compliance with environmental laws and regulations

The Company and the relevant units strictly comply with environmental laws and regulations to control and minimize the environmental impacts that might take place. The relevant units also comply with the terms and conditions in the contracts with counterparties, conduct the environmental impact assessment (EIA), and execute environmental assessments by external agencies in relation to the quality of air, noise, vibration, and water surface.



Image: Evaluating the quality of the external environment

## 3.4 Society Aspect of Sustainability Management

### 3.4.1 Society Policy and Practice

The Company recognizes the importance of social and environmental responsibility in accordance with society aspect of sustainability policy. For instance, the Company is committed to comply with laws and international labors standards in relation to equitable treatment to employees, respect to human rights without discrimination, support the development of employees' competencies and provide appropriate welfare for the better quality of life, emphasize occupational health and safety of employees and stakeholders, adhere with social responsibility as a good corporate citizen by supporting related project and promoting internal and external community engagement in order to conduct sustainable business.

### 3.4.2 Operating result in relation to society

#### Responsibility for Employees

##### Equitable Treatment to Employees

The Company recognizes the equitable treatment to all employees in accordance with Business Code of Conduct and realizes that they are the most valuable resources that will drive the organization towards sustainability. For the treatment of employees, the Company applies the principles of equality without discrimination and adheres to ethics. The Company treats all employees in compliance with laws, respects their rights, duties, and responsibilities, having fair and equal employment. The Company has no policy to employ child labors; but promotes development of employees' capabilities and potentials, opens to opinions and suggestions from employees at all level, provides good benefits and other privileges as well as creates good working environment in order to provide them with better quality of life, trust and continue to work with the Company in a long-term basis.

##### Fair and Equal Employment

#### Supporting and Improving Quality of Life for Persons with Disabilities

The Company recognizes fair employment, equal opportunity, equitable treatment, and empowerment of persons with disabilities. For instance, persons with disabilities are able to work with the Company in order to take care of themselves and reduce their dependency on family or society by using their own compensation.

In 2023, the Company complied with the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007), by hiring 28 persons with disabilities or equivalent to the ratio of one disabled person to every 100 non-disabled employees (1:100) according to the law.

In 2023, the Company had no violation or dispute regarding the unfair treatment of employees and discrimination regarding the employment.

## Allocation and Management of Employees' Benefits

The Company creates happiness in the workplace by allocating good welfare beyond the standards required by laws. The Company also promotes a good environment and atmosphere to be suitable for work, provides facilities and improves surrounding for the safety of life, health, and properties of employees.

The Company gives employees opportunities to define guidelines on benefits contribution to meet the employees' requirements by appointing the Welfare Committee consisting of 7 members. 5 employees were elected and another 2 employees were appointed as committee members. The Welfare Committee has authorities and duties as follows:

1. Discuss and negotiate with executives (the Company) on welfare contributions to the employees;
2. Give recommendations and provide opinions to executives (the Company) about welfare contributions to the employees;
3. Monitor and control welfare contributed to the employees by the employer; and
4. Provide opinions, guidelines on benefits contribution and privileges to the Welfare Committee.

## Welfare Allocated for Employees

Welfare	Full-time Employees		Contracted Employee	
	Monthly Paid	Daily Paid	Monthly Paid	Daily Paid
<b>1. Insurance</b>				
• Group Insurance				
- Life Insurance	*	*	*	*
- Accident Insurance	*	*	*	*
<b>2. Healthcare</b>				
• Medical Care Compensation	*	*		
• Annual Medical Check-up	*	*	*	*
• Dental Care Compensation	*	*		
• Social Securities	*	*	*	*
• Compensation Fund	*	*	*	*
<b>3. Others</b>				
• Uniform for Office Staff	*	*		
• Uniform for Workers	*	*	*	*
• Professional Skill Training	*	*	*	*
• New Year Party	*	*	*	*
• Drinking Water	*	*	*	*
• Workers Camps	*	*	*	*
• Transportation	*	*	*	*
• Allowances				
- Upcountry Allowance	*	*		
- Overseas Allowance	*	*	*	*
- Food Allowance	*	*		

Welfare	Full-time Employees		Contracted Employee	
	Monthly Paid	Daily Paid	Monthly Paid	Daily Paid
• Savings Cooperative	*	*	*	*
• Loans				
- Residential	*	*	*	*
- Consumption	*	*		
• Financial Aids				
- Sickness (only for operation case)	*			
- Marriage	*			
- Death of staff's parents	*			
- Death of staff	*	*	*	*
• Provident Fund	*	*		
• Retirement Fund	*	*		

### Employees Development

The Company considered its employees as the heart of the organization because the Company realizes that employees are valuable resources and key factors in driving the organization to be successful. The Company, therefore, determines the development of employees' competencies as one of the Company's missions by focusing on the development of personnel to be efficient and suitable for their positions and responsibilities, in order to enable the employees to efficiently perform their duties and support the Company's growth that will bring the sustainability to the Company.

The Company organizes a grand orientation to new employees in order to provide them knowledge and understanding about the organization and allocated budgets for employees' development by analyzing the need for training to develop the employees' competency as appropriate, setting up the training plan systematically, both basic training necessary for working and on the job training.

**The development of employees' knowledge, capabilities and competencies can be divided into 3 aspects as follows:**

1. Core competency is a basic knowledge and ability that the organization would like its employees to have; e.g. Quality, Occupational Health and Safety.
2. Function competency is a necessary knowledge and ability needed for each position. Each job title has an expected level of competency. The Company will provide training to the employees, both in-house training and external training. For employees who are beyond their capabilities, the Company will consider promoting them in order to give the employees opportunity to use their potential and develop themselves for professional growth.
3. Management competency is a managerial knowledge and ability for employees of management level.

Moreover, the Company enhances its employees to share their knowledge and experiences among themselves in order to increase efficiency, receive equitable remuneration, gain competitive advantages and obtain further job promotion.

For career opportunity, especially for the managerial positions, the Company has the policy to consider promoting internal employees, so that the employees will have opportunity to use their knowledge and abilities to improve themselves to a higher position. In addition, the Company provides the opportunity to transfer to work cross functions.

The Company has defined the target for developing employees' competency, knowledge, and skill that are significant for employees' contribution according to the Company's vision and strategy through the training course as follows:

Training hours in the year 2023	
The goal for average training hours (hour / person / year)	8 / person / year

Information of training programs according to the training plan for the year 2023				
	Quality, occupational health and safety	Corporate governance and business code of conduct	Development of professional capability	Leadership and management
Courses	211	113	1,526	396
Persons	1,540	1,386	10,075	3,667
Hours	5,075	514	16,867	3,586

ample of training courses in the year 2023

Training courses	
Code of Conduct and Anti- Corruption	Construction Site Supervision on Reinforced Concrete Structure
Corporate Governance and Anti- Corruption	Reproduction and Estimation of Electrical, Sanitary, Fire Drill System
Leadership in Next Normal	Basic of Building Regulations
ISO14001:2015	Revit Basic Course
On the Job Training	Supervise Tunnelling Work
Risk Management	Authorized Person, Supervisor, Rescuer and Recovery, Safe Working in Confined Space
Strategic Business Planning	Scaffolding Installation & Inspection Techniques
Professional Communication & Presentation Skills	Crane Operations Training Course
Course of Construction Insurance	Basic Fire Fighting Course

## Respect for Human Rights

The Company conducts the business in accordance with the human right by respecting the rights that all human beings deserve as a part of the society. The Company respects equality under laws and regulations of the organization and in line with international human rights principles regards to Business Code of Conduct which is applied to the Company and business partners. The Company provides equal opportunity and respects diversity of labors without discrimination, regardless of gender, age, race, religion and educational background.

For business partners namely vendors, contractors, sub-contractors and workers, the Company supports business partners that respect human rights and are socially responsible. The Company will select the business partners which engage in business in compliance with laws, rules and regulations of the government, comply with labor law and safety laws, treat their employees based on ethics and with respect for human rights and refrain from child labors. The Company treats all partners fairly and equally without discrimination of any kind, regardless of skin color, gender, nationality, political opinion or social background. The Company allows all business partners to submit price proposal on the same standards conditions.

The Company conducts the construction business and always facing the problem of labor shortage. In order to deliver the construction work according to scheduled, it is necessary to employ foreign labors to supplement the domestic ones.

Table of foreign labors as of 31 December 2023

	Details	Number of Person	%
Nationality	Cambodian	29	14.22
	Burmese	175	85.78
Total		204	100

The Company hires foreign labors by applying for work permits according to the laws and the requirements of the Department of Labor, treats them with the human rights principles and provides them with fundamental welfares as required by the labor, law including other benefits as same as those provided to Thai labors. The welfares provided to alien employees are as follows:

- Social securities (outside working hour injury/on-the-job injury)
- Group accident insurance
- Complimentary accommodation
- Complimentary electricity and water supply not exceeding the amount limited by the Company
- Minimum daily wages at Baht 328-354 or more, depending on work performance
- Worker uniform
- Occupational health system & safety such as protective equipment
- Trainings
- Rights to give opinions and suggestions on work
- Position promotion

The Company continually monitors that all workers are treated in accordance with human rights. In 2023, no report or complaint about violation of human rights was filed.

#### Employee Code of Conduct

The Company has determined Employee Code of Conduct to outline employees' behavior in accordance with restrictions, regulations, orders, and the Company's announcement. The Company aims to develop, support and implement a standard practice that could be internationally accepted such as ISO 9001, OHSAS 15001 and ISO 14001. The Employee Code of Conduct would create working as team culture, beneficial to stakeholders, serve equal treatment, generate honesty in business operation as well as build transparency operation. The results were shown in the certification that the Company has received previously from Thailand's Private Sector Collective Action against Corruption coalition (CAC).

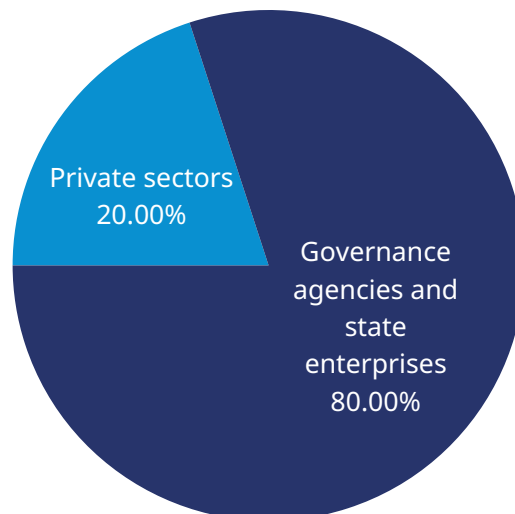
The Company continually monitors that all workers are complying with the Employee Code of Conduct. In 2023, no report on violation or non-compliance with the Employee Code of Conduct was filed.

#### Responsibility for Customers

##### Customers Relations Management and Customer's Satisfaction Practical Guideline

The Company's customers in construction business can be divided into 2 groups, namely 1) government agencies, state enterprises and 2) private sectors within the country.

The Ratio of the Company's Customers in the Year 2023



The Company gives top priority to the satisfaction of customers or project owners in terms of quality and punctuality. For 40 years of experience in the construction business, the Company never abandoned any project. The Company has been able to execute works and deliver them within schedule, with quality and standard that meets requirement of customers or project owners.

The Company has set the direction for every construction site and plant to conduct customers' satisfaction survey at least twice a year, at 6-month intervals. Both qualitative and quantitative methods will be used. The survey's questions need to cover 4 aspects which are quality, time, safety, and coordination. To be in consistent with the Quality Management System, ISO 9001/2015, the Company determines that the survey result of customers' satisfaction must not lower than 90%.

#### Survey Result of Customers' Satisfaction in the Year 2023

No.	Construction sites	Factories	Average
1	95.10%	94.91%	95.00%
2	94.85%	95.71%	92.28%
Total			95.14%

The Company has always maintained a good relationship with customers, which is reflected in the result of the customers' satisfaction survey. In 2023, the result of customers' satisfaction survey was higher than the Company goal or equivalent to 94.36 percent.

In addition, the Company did not receive any complaints from customers, neither from the construction sites nor from factories.

#### Effective Project Management

Project Management is the heart of construction business. A successful operation requires good framework setting. The Company managed its construction projects under the principles of effective costs management, both direct and indirect costs such as materials cost, labors cost, construction and operation expenses without reduction in quality of the materials and workmanship, in order to maintain quality and standard, and control speed of construction process, including aligning work procedures with the operation plan. With this practice, the Company will be able to reduce construction costs while delivering the work in a timely manner.

#### Protection and Reduction of Negative Impacts on Communities Caused by the Company's Construction Process

The Company commits to responsible for all people and constantly building a strong relationship between the Company and people in communities nearby the construction sites. The Company has arranged community relations activity in order to reach out for communities' suggestions as well as to find the relief measure that could help communities resume their daily routine.

Each working unit of the Company's construction project will determine the relief measure, take action to mitigate any negative impact on community, set working team who will be responsible for publication. The working team need to communicate the details of construction project by providing the sign in front of the construction site. This is to let everyone acknowledges about the period, responsible person, number of workers and others information related to the construction plan, including provide the number for any suggestions and complaints. In case of receiving any

complaint, the working unit needs to make an action promptly. Moreover, the solid fences have to be installed around the construction site to prevent falling objects and to cover the improper scenario from the construction process.

Transportation of materials and equipment to the construction site is a significant process for the Company business. The Company will take the matter of environment, communities and commuters on road into account. The construction materials will be carried after 11.00 p.m. and finished before 05.00 a.m. in accordance with the laws. To transport during the mentioned period, the Company will be able to avoid traffic congestion in the rush hours. In addition, the transportation will be traveling through the route that is far from buildings and communities, including controlling the speed in accordance with the laws. In case of transportation of massive construction materials or equipment, canvas will be used to cover the materials in order to prevent accidents and air pollution.

### Occupational safety

The Company is committed to promoting safety of employees and workers, including focusing on building a safety culture to employees at all levels. This is to ensure employees are aware of safety in order to reduce accidents, decrease illnesses and prevent loss at workplace. In addition, the Company defined measures and regulations of occupational health and safety in accordance with Occupational Health, Safety and Environment Act and monitoring system has been placed at all working units in order to inspect compliance to safety measures. All working units need to adhere with the occupational health and safety policy and take responsibility to mutually take care of safety and health. Employees shall participate and strictly perform their duty related to safety as specified by the Company.

Safety, Occupational Health and Environment Committee has been organized in order to define the objective and practical policy which can be implemented efficiently, report and suggest measures or guideline in accordance with laws to executives, appoint safety officer at all levels such as management level, supervisor level and professional level. The safety officer shall supervise, plan and operate business in safety environment as specified by laws, such as organizing training, providing safety equipment, reinforcing safety awareness constantly, inform practical guideline to react when accident occurs. In addition, the Company has set up the activity to award related working units that could achieve consecutive working hours' goals without involving in any accidents, as specified by the Company.

### Occupational Health and Safety Policy

1. Continuously operate and develop an occupational health and safety management system in accordance with ISO 45001 standards and compliance with other legal requirements and other standard specifications.
2. Control and improve working sites and prevent employees, workers, and related parties from health hazards and illnesses, and other dangers within acceptable risk level.
3. Provide sufficient resources such as personnel, operation time, budget, and suitably and adequately training.
4. Encourage all employees to join activities and express their opinions on occupational health and safety.
5. Review the effectiveness of occupational health and safety management standard procedure at least once a year.

The Company has set up internal audit plan, which is a regular audit for safety management system. In 2022, the Company has monitored operation in relation to occupational health, safety and environment at corporate level, which consists of construction activities at pre-cast plant, and assembly plant of processed steel and steel structure. In addition, the Company also arranged an audit by external party in order to obtain standard certification such as ISO 45001:2018.

The environmental at workplace has been improved especially in the risky area, inspected environmental at workplace and scheduled to inspect annually, improved facilities for employee's quality of life such as emphasize on cleanliness of rest room, provide enough rest room for employees, organize 5S activity (Big Cleaning Day) in working units.

## Core Elements of Occupational Safety

- 1) Hazard identification and risk assessment
- 2) Safety approval system
- 3) Safety inspection system
- 4) Occupational safety training
- 5) Welfare arrangements for employees and workers
- 6) Cleaning workplace
- 7) Safety discussion
- 8) Identify hidden hazards in working process
- 9) Inspection plan, analysis and accident report
- 10) Contingency plan
- 11) Security system
- 12) Evaluation of safety performance
- 13) COVID-19 preventive measures

## Prevention and Control Measures of COVID-19 or Coronavirus Disease 2019

In 2021, the COVID-19 pandemic has spread and impacted health and the economy across the globe. The Company recognized the impact on the health of employees, contractors, and workers at all levels, especially workers at construction sites who are commonly working as a group and consist of both Thai and foreign workers. According to the rising of COVID-19 outbreaks, the prevention and control measures of COVID-19 has been defined according to the Department of Health, Ministry of Public Health as follows:

### 1. Measure at Construction Site and Field

The Company has implemented temperature control to screen body temperature at the entrance in order to prevent anyone whose body exceeds 37.5 degrees to enter the area. The person with symptoms shall follow the Company's treatment process accordingly. Surgical masks or fabric masks need to be worn at all times. Alcohol gel or hand-washing area must be organized. Social distancing methods are required to be complied with, such as providing enough space or installing a shield between working tables, including separately using food container such as plates, glasses as well as having meals individually. E-meeting should be used instead of a physical meeting. Documents and packages from outsiders need to be dropped or picked up at a specific area in front of field office. The Company has emphasized hygiene control, for instance, cleaning at a risky area, spraying disinfectant in public areas as well as an office areas. Visitors and operators are required to wear surgical or fabric masks at all times and avoid any group activities such as avoiding Safety Talk activities, avoiding using the same food container, while the Company shall provide alcohol gel or hand-washing area at the sites.



## 2. Measure at Accommodation or Workers' Camp Which Provided by the Company

The Company has implemented temperature control at accommodation or workers' camp, which provided by the Company, to screen body temperature at the entrance in order to prevent anyone whose body exceeds 37.5 degrees to enter the area. The person who has a high temperature or seems to be infected shall be separated and stay at the specified area, which is prepared by the Company, in order to monitor any further symptoms. Visitors are not allowed to enter inside workers' camp. All residents in workers' camp required to wear surgical masks or fabric masks every time when leaving their rooms, including keeping cleanliness and dispose their waste per schedule at the specific location, which has to be categorized accordingly for hygiene purposes.

Public areas for hosting activities at workers' camp are temporarily suspended. The Company has sprayed disinfectant in the worker's camp constantly, control the entrance, organize screening points to check body temperature and symptoms before allowing anyone to access the location, provide a 24/7 security guard at the gate which uses for transportation between construction site and workers' camp. The purposes of security guard are for safety and disease control. A solid fence has been installed to limit the entrances. The quarantine site (Local Quarantine) has been prepared for potentially infected persons but have not developed symptoms or received positive result yet. An Isolation area has been organized as well for the person who has a fever and is not allowed to work, which will need to report and evaluate accordingly. Each site is required to record the residents' details and check medical certificates for COVID-19 test results. (Both Thai and foreign workers who request to stay in the camp must be tested for COVID-19 upon entry.)



## 3. Measure transportation service for workers

For workers that the Company has provided accommodation, the Company has arranged transportation service between specific areas directly and shall not stop along the way, such as from the accommodation directly to the construction site. The shuttle buses for residents required one officer to be responsible for each bus. The officer will define pick-up and drop-off places, and schedule daily departure times systematically.

The Company has organized transportation service with specific requirements for passengers such as sitting on a specific spot according to social distancing method, wearing surgical masks or fabric masks at all times, avoid talking or eating in a bus, on the other hand, the driver needs to keep the bus cleanliness with disinfectant constantly.



Moreover, the Company emphasized public relations in terms of reporting COVID-19 situation, sharing vaccination information, reporting news, and informing preventive measurement to all employees to encourage strict compliance. For instance, avoid traveling to risky areas, avoid participating in crowded activities which have a high risk to be infected as specified by the government agencies.



#### Training Information of Occupational Health and Safety

##### Number of Safety Training Hours

Total number of employees (person)	Number of employees who attended all training courses (person)	Total training hours (hours)	Average hours per employee who attended training courses (hours/person/year)
2,482	1,473	11,218	7.6

##### List of Training Course

Training Course	Training Agencies
<b>On-site Training Session</b>	
Occupational Safety, Health and Environment for Employees /New Employees Course	Occupational Health and Safety Section, Headquarter and the Company's working unit
Working and Protection in Confined Space Course	Occupational Health and Safety Section, Headquarter and the Company's working unit
Crane Operator, Signaler, Rigger and Supervisor (4 Personnel) for Tower Crane, Truck Crane and offshore Crane Course	Perfect Safety Training & Consulting Co., Ltd.
Signaler, Rigger and Supervisor (3 Personnel) for Tower Crane, Truck Crane and offshore Crane Course	SWC Service & Supply Equipment Company Limited
Crane Operator, Signaler, Rigger and Supervisor (4 Personnel) for Overhead Crane, Gantry Crane and Others Stationary Crane Course	Perfect Safety Training & Consulting Co., Ltd.
Safe Crane Operations Training Course	Perfect Safety Training & Consulting Co., Ltd.
Basic Fire Fighting Course	Annually in each working unit
Annual Fire Evacuation Drill and Fire Safety First Aid Course	Annually in each working unit

Training Course	Training Agencies
Safety Officer in Technique Level Course	Safety and Health at Work Promotion Association (Thailand) Under Patronage
First Aid Training Course	Registered nurse, Occupational Health and Safety Section and the Company's working unit
Driving Vehicles and Moving Equipment Safely Course	The Company's working unit
Spark-risk, Welding, Cutting and Grinding Safety Training Course	The Company's working unit
Safe Maintenance of Electrical Appliance, Equipment and Vehicle Course	The Company's working unit
First Aid Treatment for Accident Victims in High Places	The Company's working unit
<b>Online Training Session</b>	
Safety for Occupational Health and Environment Committee Course	Safety and Health at Work Promotion Association (Thailand) Under Patronage
Safety Officer in Supervisor Level Course	Safety and Health at Work Promotion Association (Thailand) Under Patronage

#### Occupational Accident Rate/ Data

To achieve safety operation objectives, the Company set the goal for safety operation by lowering accident rates not to exceed 1.2 times/per 100 persons/per year It was found that there were 43 accidents (accounting for 1.85 times / 100 people / year). The results showed that The set objectives have not yet been achieved.

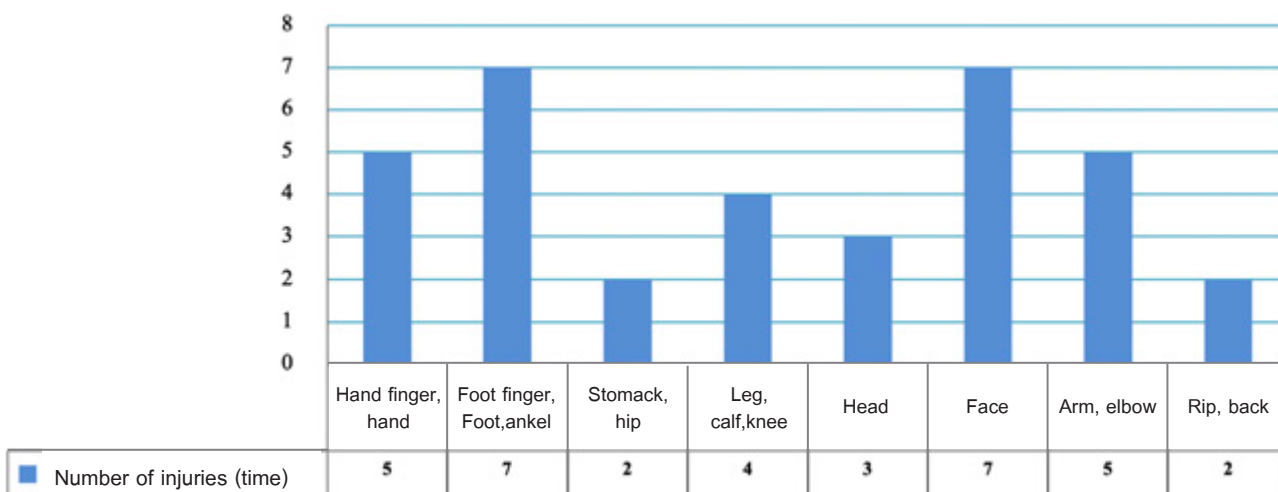
No.	Months	Total Accidents				
		Total Employees	Accident	Average (Time)	Accumulated Average	Accumulated
		Person	(time)	100 persons / month	100 persons / year	Not exceeding
1	January	2,505	2	0.08	0.08	0.1
2	February	2,479	3	0.12	0.20	0.2
3	March	2,468	5	0.20	0.40	0.3
4	April	2,446	2	0.08	0.48	0.4
5	May	2,414	3	0.12	0.60	0.5
6	June	2,381	4	0.17	0.77	0.6
7	July	2,340	2	0.09	0.86	0.7
8	August	2,280	6	0.26	1.12	0.8
9	September	2,238	4	0.18	1.30	0.9
10	October	2,201	3	0.14	1.44	1

No.	Months	Total Accidents				
		Total Employees	Accident	Average (Time)	Accumulated Average	Accumulated
		Person	(time)	100 persons / month	100 persons / year	Not exceeding
11	November	2,174	7	0.32	1.76	1.1
12	December	2,125	2	0.09	1.85	1.2
Total	Average number of employees= 2,338 person/years		43	1.85	1.85	1.2

The Company regularly monitors and reports the statistic of accidents to the meeting of executives. There was a steady declined in the accident rates over the past 7 years. The Company planned to support and promote safety campaigns in order to reduce accidents from work down to zero and to achieve the goal for safety operation.

Year	2019	2020	2021	2022	2023	2024	Accumulated
Total number of accidents (times)	38	36	35	33	33	43	33
Total number of lost working days (days)	635	516	322	485	376	369	376
Average number of employees (person)	2,731	2,541	2,450	2,521	2,435	2,338	2,435

Statistic Categorized by the Injured Part of Body According to the Accidents in the Year 2023



Number of Safety Training Hours for Safety Officers (GRI)

Total number of safety officers (person) (1)	Number of safety officers who attend all training courses (person) (2)	Total training hours (hours) (3)/(2)	Average hours per safety officer who attend training courses (hours/person/year) (3)/(2)
2,125	610	6,694	11

Note: Total number of employees It is information for December 2023.

Table summarizing the training results of safety officers working at technical / advanced technical / professional levels.

otal number of safety officers (person) (1)	Number of safety officers who attend all training courses (person) (2)	Total training hours (hours) (3)/(2)	Average hours per safety officer who attend training courses (hours/person/year) (3)/(2)
73	73	1,383	18.9

## Corporate Socila and Environmental Responsibility

### Operation relating to corporate social and environmental responsibility

Nawarat Patanakarn Public Company Limited has announced environmental management policy, which requires the Company to operate its business in accordance with laws, regulations, and the standard of environmental management, including Environmental Management Act such as The Enhancement and Conservation of National Environmental Quality Act, B.E. 2535 and the announcement of the pollution control department regarding the type of food and source of pollution that needed to be controlled before releasing wastewater to the public source of water and external environment. The preventive measures and solutions have been placed to cope with the environmental impact of the Company's operation and to ensure natural resources will be used efficiently and usefully.

According to the resolution of the meeting, the Company agreed to support projects and activities in relation to social and environmental responsibility in the year 2023 as follows:

#### In-Process: Corporate Social Responsibility

##### 1. "Go Green with NAWARAT" project

The Corporate Social and Environmental Responsibility Committee recognized the environmental problem and agreed to arrange the "Go Green with NAWARAT" project for the Company's employees and its subsidiaries' employees in 2020 and continuously arrange the project. The objective of this project is to minimize waste problems and reduce global warming in accordance with the Company's Social and Environmental Responsibility Policy.



Image: The project's logo for 'Go Green with Nawarat'

#### The objectives of the project

- To raise social and environmental responsibility awareness towards employees at all levels
- To support the Company's Social and Environmental Responsibility Policy
- To encourage employees' participation in helping society reduce plastic waste in daily life and adapting waste management at home

- To prepare for the upcoming corporate social responsibility assessment (CSR assessment)
  - To reduce global warming and build awareness of environmental protection among the Company's employees
  - To be consistent with the Company's future sustainability development report in the GHG Emissions category
- Line official account and Facebook Fanpage for the “Go Green with NAWARAT” project have been launched to advertise the project and promote related activities.



Image: Go Green with Nawarat advertisement

## CSR - After-Process: Corporate Social Responsibility

### 1. Supporting gift on the National Children's Day 2023

On January 13, 2023, the construction project of the runway extension with the airport electrical system and other components at Trang Airport (N.568) provided gifts on the National Children's Day 2023 for Mittrapab 31 (Wattungwang) School, Trang Science Center for Education, Sai Nun Moo 3 and Sai Nun Moo 7 Community at Khuan Pring district, which located next to the project site.



Image: Supporting gifts on the National Children's Day

## 2. The Fifth Year of the Unused Calendars Donation Project

The Company's headquarter has internally communicated and promoted to employees of the Company and its subsidiaries to collect their old desk calendars for donation, which will be reproduced as a Braille book for blind persons accordingly. The CSR working team has supported the activity to be hosted annually. Therefore, the CSR working team traveled to donate those old desk calendars at the Educational Technology Center for the Blind, Nonthaburi Province on March 8, 2023.



Image: Donation of old desk calendars to the Educational Technology Center for the Blind in the year 2023

## 3. Undergraduates' Internship Program

On February 9, 2023, the Company joined Engineering Khon Kaen University Job Fair 2023 at the Faculty of Engineering, Khon Kaen University to provide the opportunity for undergraduates to gain direct practical working experience.



Image: Recruiting day for undergraduates' internship

#### 4. Plastic bottle caps donation

On August 15, 2023, the Company donated plastic bottle caps to Precious Plastic Bangkok Organization, which will transform the bottle caps and distribute revenue to the community accordingly.

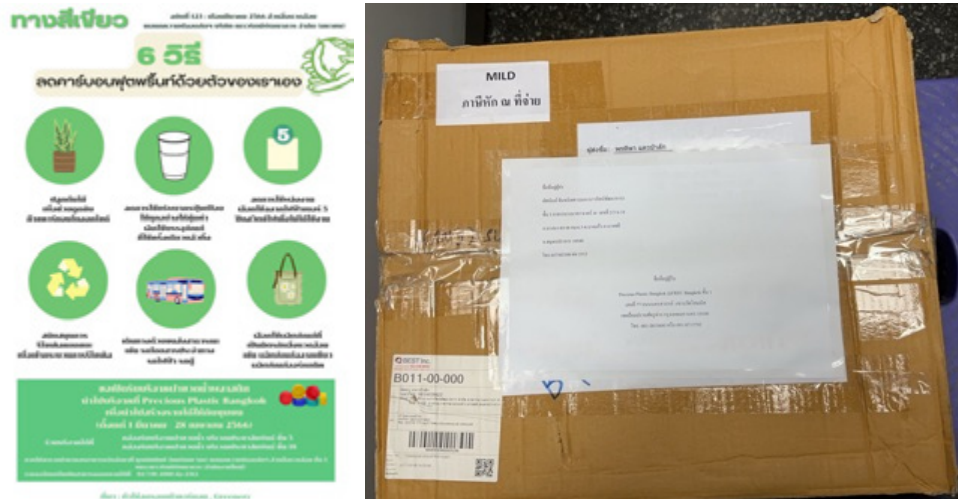


Image: Plastic bottle caps donation

#### 5. Sponsoring Wittayanusorn School's running activity

On March 3, 2023, the construction project of a taxiway with an airport lighting system and roadway embankment (1,896 Million Baht), a soil cement project (233,750 Million Baht), 4,230 square meters of retaining wall project (Geogrid reinforced block wall), and 5 buildings project at Muang district, Krabi province (N.555) have gave away 2,000 Thai Baht to support Wittayanusorn School's running activity according to their sponsor letter.



Image: Sponsoring the school

## 6. Big Cleaning Day Activity

On June 30, 2023, a cooperation project between Thailand and Republic of China for development of high a speed rail system to connect regions Bangkok- Non Khai (phase 1, Bangkok- Nakhon Ratchasima), contract 4-3: civil works between Nawa Nakhon and Banpho (N.543), hosted activity called big cleaning day under Bang Pa-in Bridge, Udom Sorayut Road 308, DK47, together with volunteers from Bang Pa-in Subdistrict Municipality and TPI Concrete Co., Ltd., have mutually collected trash and cleaned the road.



Image: Working units hosted a big cleaning day activity

## 7. Providing compensation for nine encroaching houses

On December 24, 2023, the construction project of drainage tunnel for Khlong Prem Prachakorn from Khlong Bang Bua to the Chao Phraya River (N.562) provided compensation for nine encroaching houses, which is the second installment according to the contract. The occupants need to move more than 50% of their belongings out of their property accordingly.



Image: Providing compensation for nine encroaching houses

## 4. Management Discussion and Analysis

### 4.1 Financial Status and Operating Analysis

#### 1. Summary of Global and Domestic Economic Situation

In 2021, the economy of some countries has recovered although a new variant of the coronavirus (COVID-19), both Delta and Omicron have disrupted the economy in various periods. As a result, anxiety has emerged around the world. The interest rate of the central bank in some countries has been increased in order to cope with the high inflation. In addition, many countries are facing climate change which impacted the production of agriculture and led to the higher cost of meals. The outbreak of COVID-19 also impacted tourism due to the strict measure, introduced to constrain its spread, by controlling the entry of international travelers to the country.

The recovery of the domestic economy has been impacted by many phases of COVID-19 pandemic. The government has continuously implemented strict measures in order to control the spread of the pandemic, which impacted many sectors. The travel sector is the main sector that generates the country's revenue, has continued to slow down although Phuket Sandbox project and Test & Go program have been launched. However, the export sector has expanded at a very high rate compared to the year 2020 due to the recovery of the global economy.

In 2022, the global economy as a whole is better than in 2021, although the war between Russia and Ukraine affects the world. Oil prices and natural gas prices rise, affecting transportation costs and product prices. The unemployment rate remains high. The United States continues to use the policy of increasing the interest rate to solve inflationary problems.

Domestic economy, the Thai economy began to improve in the second quarter of 2022, and private investment grew more. But government investment has declined. Private consumption grew as a result of the relaxation of measures to control the spread of Covid-19, as well as tourism began to revive. However, like many countries around the world that have been affected by the Russo-Ukrainian War. Oil and natural gas prices have increased considerably. This affects transportation costs, product prices, and inflation problems that the United States solves by raising the policy interest rate, causing the exchange rate to adjust drastically. The Thai Baht is very weak against the US dollar.

In 2023, the uncertainty among countries has impacted their economic policy subsequently, which led to the unexpected condition of global economy. Another contribution was from the long period of the Russia - Ukraine war and the Israel-Hamas war, which affected the global economy as well.

The expansion of the Thai economy has slowed down across many businesses except the tourism segment which slightly recovered. The Thai economy is expected to improve after the election in the middle of 2023. However, there are no details on the stimulus campaign yet. The digital wallet policy, which is the highlighted campaign to enhance the economy, was not performing well due to the negative feedback against the policy.

## 2. Explanation of Financial Status and Operating Results

### Summary of the Company's Financial Status according to the Company's Consolidated Financial Statement as at December 31, 2023

As at December 31, 2023, the Company had total assets of 18,642.50 Million Baht, which decreased from the total assets as at December 31, 2022 equal to 1,339.31 Million Baht.

#### Significant Changes in Assets:

1. Cash and cash equivalents as at December 31, 2023 amounting to 1,295.31 Million Baht, decreased from December 31, 2022 in the amount of 443.17 Million Baht as it has been used for business operation within the Company's group.t.
2. Trade receivables and other receivables as at December 31, 2023 before deducting an allowance for doubtful accounts amounting to 1,918.74 Million Baht, decreased from December 31, 2022 in the amount of 32.39 Million Baht.

In case payments are not made by the accounts receivable within the specified period, interest will be charged on the overdue receivables. The interest shall be calculated from the due date. This standard shall be practically applied to all receivables, including receivables of related parties. Because of the current economic circumstance, the Company has conceded the interest charges to those receivables with trivial late payment, except those receivables that have been under litigation process for debt repayment..

The Company recorded an allowance for doubtful accounts for all those receivables with payment problems according to the Company's rules and policies.

**Trade receivables** as at December 31, 2023 compared with those as at December 31, 2022 are as follows;

(Unit: Million Baht)

Description	Allowance for doubtful accounts/ allowance for expected credit losses	Total debts	Within due	Within 12 months past due	Over 12 months past due
Trade receivables as at December 31, 2022	425.66	1,840.09	829.65	597.90	412.54
Trade receivables as at December 31, 2023	398.34	1,789.04	990.47	361.58	436.99
Increase (decrease)	(27.32)	(51.05)	160.82	(236.32)	24.45

3. Contract assets as at December 31, 2023 before deducting an allowance for expected credit losses amounting to 7,765.89 Million Baht, decreased from December 31, 2022 in the amount of 801.62 Million Baht. The assets that emerged from the contract, are as follows:

(Unit: Million Baht)

	As at 31 Dec 2023	As at 31 Dec 2022	Increase (decrease)
Revenue not yet billed	6,477.48	7,614.62	(1,137.14)
Accrued revenues	81.39	92.26	(10.87)
Retentions payable	1,207.02	860.63	346.39
Total	7,765.89	8,567.51	(801.62)
<u>Less</u> Allowance for doubtful accounts/ allowance for expected credit losses	(99.98)	(2.48)	(97.50)
<b>Total contract assets - net</b>	<b>7,665.91</b>	<b>8,565.03</b>	<b>(899.12)</b>

As at December 31, 2022, the revenue not yet billed has increased from December 31, 2021 with the following reasons;

- 1) In 2022, the Company obtained more construction projects which lead to the higher ongoing contraction projects as well.
- 2) The project delivery will be proceeded according to the conditions specified in the construction contracts

#### Significant changes in liabilities:

1. Bank overdrafts and short-term loans as at December 31, 2023 amounting to 3,222.22 Million Baht, decreased from December 31, 2022 in the amount of 1,451.51 Million Baht.
2. Trade payables and other payables as at December 31, 2023 amounting to 4,679.18 Million Baht, increased from December 31, 2022 in the amount of 956.24 Million Baht.

Details of trades payable and other payables were as follows:

(Unit: Million Baht)

	As at 31Dec 2023	As at 31 Dec 2022	Increase (decrease)
Trade payables – related and non-related parties	3,535.67	2,935.74	599.93
Advance from – related and non-related parties	0.12	0.23	(0.11)
Other payables – related non-related parties	97.78	133.02	(35.24)
Accrued dividend – non-related parties	< 0.01	-	< 0.01
Accrued expenses – related and non-related parties	1,045.61	653.95	391.66
<b>Total trade payables and other payables</b>	<b>4,679.18</b>	<b>3,722.94</b>	<b>956.24</b>

3. Debt initiated from contracts consists of advance revenues for construction cost in the amount of 3,449.84 Million Baht as at December 31, 2023, decreased from December 31, 2022 in the amount of 1,530.43 Million Baht. The advance revenues will be gradually deducted from the value of works delivered in each period. The conditions applied as specified in the construction contracts.

4. Long-term loans from banks which appeared in the statement as “Current portion of long-term loans from banks” and “Long-term loans from banks, net of current portion”, have the total amount as follows:

(Unit: Million Baht)

	As at 31 Dec 2023	As at 31 Dec 2022	Increase (decrease)
Current portion of long-term loans from banks	375.89	183.96	191.93
Long-term loans from banks, net of current portion	1,948.39	1,360.12	588.27
<b>Total</b>	<b>2,324.28</b>	<b>1,544.08</b>	<b>780.20</b>

5. Debentures, the balance as of December 31, 2023 was 904.37 Million baht. The Company has issued and offered 2 debentures as follows:

1. On November 9, 2022, the Company issued unsubordinated, and unsecured debentures No. 1/2022, with a total value of 500 Million Baht, with a debenture holders’ representative offered to institutions and high net worth investors. The 2 years debentures have an interest rate of 6.90 percent per year. The details of the amount received are as follows:

Debentures can be sold for the amount	500.00	Million Baht
less Deferred expenses for issuing debentures	<u>(7.19)</u>	Million Baht
Total proceeds from the sale of debentures, net	<u>492.81</u>	Million Baht

2. On May 12, 2023, the Company issued unsubordinated, and unsecured debentures No. 1/2023, with a total value of 412 Million Baht, with a debenture holders’ representative offered to institutions and high net worth investors. The 2 years debentures have an interest rate of 6.95 percent per year. The details of the amount received are as follows:

Debentures can be sold for the amount	412.00	Million Baht
less Deferred expenses for issuing debentures	<u>(7.63)</u>	Million Baht
Total proceeds from the sale of debentures, net	<u>404.37</u>	Million Baht

1. Analysis of the operating results of the year 2023 compared to the year 2022 according to the consolidated financial statement

Description	Year 2023	Year 2022	Increase (decrease)	
			Amount	Percentage
1.1 Revenue from construction	10,365.47 MB	11,970.72 MB	(1,605.25) MB	(13.41)
1.2 Cost of construction compared with revenue from construction	100.13 %	94.42 %	-	6.05
1.3 Revenue from sales and services				
- Real estate development	189.38 MB	415.59 MB	(226.21) MB	(54.43)
- Concrete products and others	498.07 MB	711.30 MB	(213.23) MB	(29.98)
1.4 Cost of sales and services compared with revenue from sales and services				
- Real estate development	71.19 %	84.38 %	-	(15.63)
- Concrete products and others	90.53 %	78.00 %	-	16.06
1.5 Sales and distribution expenses	81.55 MB	83.79 MB	(2.24) MB	(2.68)
1.6 Administrative expenses	649.28 MB	566.01 MB	83.27 MB	14.71
1.7 Loss in impairment	100.09 MB	18.59 MB	81.50 MB	438.41
1.8 Financial expenses	394.84 MB	283.73 MB	111.11 MB	39.16

2. Operating results of the year 2023

(Unit: Million Baht)

Description	Year 2023	Year 2022
Profit (Loss) of the year attributable to shareholders' equity <u>according to the consolidated financial statement</u>	(1,020.98)	37.36

3. Management discussion and analysis

For the operating results as at December 31, 2023, the Company and its subsidiaries had total revenues amounting to 11,203.84 Million Baht, divided into revenue from construction services of 10,365.47 Million Baht, revenue from sales and services of 687.45 Million Baht, and other revenues of 150.92 Million Baht. Compared to the year 2022, the total revenues of the Company and its subsidiaries decreased by 2,036.48 Million Baht or 13.41 percent. Sales and services revenue decreased in the amount of 439.44 Million Baht or 39.00 percent.

In 2023, the Company had a net loss of the year attributable to shareholders' equity amounting to 1,020.98 Million Baht. In 2022, the Company had a net profit of the year attributable to shareholders' equity amounting to 37.36 Million Baht.

The Company recognized a share of profits from investment in associated companies and joint ventures in

the year 2023 amounting to 7.73 Million Baht. While in 2022, the Company recognized a share of profits from the said transactions amounting to 15.96 Million Baht. Details of which were as follows:

(Unit: Million Baht)

Company name	Investment proportion	Share of profit (loss) Year 2023	Share of profit (loss) Year 2022
C.I.N. Estate Company Limited	40 %	(7.73)	15.96
<b>Total</b>		<b>(7.73)</b>	<b>15.96</b>

In the year 2023, the Company still faces problems and obstacles in doing business, which is similar to the year 2022, even though the outbreak of COVID-19 has started to decrease the ability to recruit foreign workers to help work. The competition among contractors remains as fierce as ever. There are still many problems and obstacles. The cost of main materials has been adjusted to a higher price including the price of oil that has been adjusted higher as a result of the war between Russia and Ukraine. However all executives and employees still strive to perform their duties to the best of their ability, so that the company can overcome various problems and obstacles.

### 3.1 Operating results for the year 2023

#### Construction business

In 2023, revenue from construction services decreased from the year 2022 in the amount of 1,605.25 Million Baht or 13.41 percent due to the problem of overlapping projects and the revision of the construction drawing which led to the suspension of the construction process. Thus, the operation could not perform as planned. In addition, the construction cost increased from 2022 equal to 6.05 percent. The unplanned problems have occurred, which required additional costs to solve the problem. The additional cost will be billed to the project owner accordingly. Fixing defects cannot generate any revenue and the cost of the main materials has been increased. However, the Company will be able to receive compensation due to the escalation clauses (K or Escalation Factor) from the government's project according to the conditions when the project is completed. The compensation for material price escalation (K-escalation factor) will be received according to the criteria set upon project completion.

The top 3 construction projects that generate the most revenue for the Company in 2022 are:

- Cooperation Project between Thailand and the Republic of China for Development of High- Speed Rail System to Connect Regions Bangkok- Nong Khai, Contract 3-2 Civil Works for Tunnel (Muak Lek and Lam Takhong), the project owner is the State Railway of Thailand with the revenue in 2023 of 1,794 Million Baht.
- The 3rd runway construction project, Taxiway D Extension, and Perimeter Taxiway at Suvarnabhumi Airport of the Airports of Thailand Public Company Limited, undertaking the construction in the name of TN Joint Venture. The revenue in 2023 according to the investment proportion is 1,423 Million Baht.
- Terminal D Phase 2A, 2B & 2C Laemchabang construction project, the project owner is Hutchison Laemchabang Terminal Limited with the revenue in 2023 being 1,084 Million Baht.

## Other businesses

In 2023, revenue from sales and services was 687.45 Million Baht, which decreased from the year 2022 in the amount of 439.44 Million Baht or equivalent to 39.00 percent. The sources of sales and services revenue are as follows:

1. Concrete products business
2. Processed steel business
3. Petrol business
4. Food business

5. Real estate development business, the revenue from the real estate development business in 2023 has decreased from the year 2022 in the amount of 226.21 Million Baht or 54.43 percent due to the revenue from Aspen Condo and Baranee Park Romklao project. At present, the Company has two detached house projects as follows:

- 1) Baranee Bliss Project Rangsit Klong Sam with a project value of 1,275 Million Baht. The project started selling in the 3rd quarter of 2023, and its revenue will be continuously recognized in the 4th quarter of 2023.
- 2) Baranee Bliss Project (Rangsit-Wongwaen), Rangsit-Nakhon Nayok Road (Khlomg 5), with a project value of 739 Million Baht. The project started selling in the 1st quarter of 2024, and its revenue will be continuously recognized in the 3rd quarter of 2024.

## Sales and Distribution Expenses

Sales and distribution expenses for the year 2023 decreased by 2.24 Million Baht or approximately 2.68 percent, compared with the year 2022. Details of sales and distribution expenses were as follows:

(Unit: Million Baht)		
Name	Year 2023	Year 2022
Mana Patanakarn Company Limited	56.34	65.57
Advance Prefab Company Limited	19.78	16.20
Taste Maker Company Limited	5.43	2.02
<b>Total</b>	<b>81.55</b>	<b>83.79</b>

Sales and distribution expenses for the year 2023 were lower than the year 2022 because Mana Patanakarn Company Limited, which conducts real estate business, has lower expenses according to the lower sales volume. On the other hand, property transfer fees rose higher due to the cancellation of tax relief policy. Advance Prefab Company Limited, conducts concrete product business and has higher costs from factory and machinery maintenance, repair, and refurbishing of concrete products, including higher transportation costs. Taste Maker Company Limited, which conducts restaurants and food businesses, also increased its sales and distribution expenses due to the higher revenue.

## Administrative Expenses

Administrative expenses for the year 2023 increased by 83.27 Million Baht or approximately 14.71 percent, compared with the year 2022. Details of administrative expenses were as follows:

(Unit: million Baht)

Name	Year 2023	Year 2022
Nawarat Patanakarn Public Company Limited	396.22	329.12
Advance Prefab Company Limited	68.18	59.13
Mana Patanakarn Company Limited	72.30	73.26
Utility Business Alliances Public Company Limited	36.08	37.27
Taste Maker Company Limited	34.82	34.88
CAN Joint Venture	9.78	10.52
Other subsidiaries	31.90	21.83
<b>Total</b>	<b>649.28</b>	<b>566.01</b>

In the year 2023, the Company recognized higher human resources expenses, higher legal advisor expenses, and higher bank fees.

## Financial Expenses

Financial expenses for the year 2023 increased by 111.11 Million Baht or approximately 39.16 percent, compared with the year 2022. Details of financial expenses were as follows:

(Unit: million Baht)

Name	Year 2023	Year 2022
Nawarat Patanakarn Public Company Limited	343.31	249.09
Advance Prefab Company Limited	10.00	8.38
Mana Patanakarn Company Limited	9.30	8.91
Utility Business Alliances Public Company Limited	1.59	7.42
Taste Maker Company Limited	1.68	1.61
CAN Joint Venture	28.96	8.32
<b>Other subsidiaries</b>	<b>394.84</b>	<b>283.73</b>

Due to the reimbursement of the Company and its subsidiaries being delayed, while the Company has regular expenses, the Company is required to get loans from financial institutions to enhance liquidity, which resulted in higher financial expenses. Meanwhile, Utility Business Alliance Public Company Limited has reduced financial expenses due to a lower amount of loan.

## Issuance and Offering of Debentures No. 1/2023

On May 12, 2023, the Company issued unsubordinated, and unsecured debentures No. 1/2023 equal to 500,000 units with a total value of 500 Million Baht at 1,000 Baht per share. The debentures have been sold 412,000 units or equal to 412 Million Baht. The debentures have a maturity period of 2 years from the date of issuance and are due for redemption in full on May 12, 2025. The debentures carry an annual interest rate of 6.95 percent, payable quarterly

throughout the term of the debentures. The purpose of issuing the debenture is to use it as working capital and to repay debts to creditors of loans from financial institutions and unrelated parties. The interest will be paid every three months throughout the term of the debentures.

According to the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to maintain its Net Debt to Equity ratio at the end of each fiscal quarter and fiscal year according to its consolidated financial statements reviewed or audited by the auditor at the rate not more than 3.25: 1.

“**Net Debt**” refers to the total liabilities only with the interest-bearing debt shown in the consolidated financial statements of the debenture issuer/loaner, deducted by cash and cash equivalents.

“**Equity**” refers to the share equity of the debenture issuer/loaner as shown in the consolidated financial statements.

“**Cash and cash equivalents**” refer to the total amount of cash and cash equivalents as shown in the consolidated financial statements of the debenture issuer/loaner.

Net Debt to Equity ratio (Net D/E ratio) as at December 31, 2023 is 2.80:1.

#### Changes in Accounting Policy and Error Correction

The Board of Directors resolved to change the accounting policy for the financial statement of the year 2023 and to adjust the Company's consolidated financial statements and separate financial statements retrospectively.

1. Change in the accounting policy refers to the change from the Cost Method to the Fair Value Method to recognize the land at the current fair value. This change has been retrospectively adjusted for the comparative information presented in the previous period.
2. Revision of the accounting policy for the valuation of lands, buildings, and equipment from the Cost Method to the Revaluation, this new method has been implemented in the year 2023.
3. Adjustment of the consolidated financial statements and the separate financial statements for the year ended December 31, 2022, and carry forward the balance of assets, liabilities, and equity components in the first-period financial statements for comparison, due to the depreciation errors of buildings.

#### Summary of the Company's Financial Status according to the Company's Consolidated Financial Statements as at December 31, 2022 (according to the revised financial statements).

As at December 31, 2022, the Company had total assets of 19,981.81 Million Baht, which increased from the total assets as at December 31, 2021 of 2,814.83 Million Baht.

#### Significant Changes in Assets:

1. Cash and cash equivalents as at December 31, 2022 amounting to 1,738.48 Million Baht, increased from December 31, 2021 in the amount of 313.44 Million Baht due to the fourth quarter, Utility Business Alliance Public Company Limited, a subsidiary operates a business providing management services for wastewater treatment systems which received revenue from the sale of newly issued ordinary shares after approval for the company to be listed on the Market for Alternative Investment (MAI), resulting in cash and cash equivalents of this subsidiary increased by 305.18 Million Baht.

2. Trade receivables and other receivables as at December 31, 2022 before deducting an allowance for doubtful accounts amounting to 1,886.35 Million Baht, decreased from December 31, 2021 in the amount of 426.06 Million Baht. During the year, the Company recorded a write-off of trade accounts receivable of 651.44 Million Baht according to the judgment of the Supreme Court. The Company has already recorded this account receivable in the full amount of allowance for doubtful accounts.

Trade receivables as at December 31, 2022 compared with those as at December 31, 2021 are as follows;

(Unit: Million Baht)

Description	Allowance for Expected Credit Losses	Total Debts	Within Due	Within 12 Months Past Due	Over 12 Months Past Due
Account receivables as at December 31, 2021	1,067.96	2,280.21	788.58	431.10	1,060.53
Account receivables as at December 31, 2022	425.66	1,840.09	829.65	597.90	412.54
Increase (decrease)	(642.30)	(440.12)	41.07	166.80	(647.99)

3. Contract assets as at December 31, 2022 before deducting an allowance for expected credit losses amounting to 8,567.51 Million Baht, increased from December 31, 2021 in the amount of 1,476.05 Million Baht. The assets that emerged from the contracts, are as follows:

(Unit: Million Baht)

	As at 31 Dec 2022	As at 31 Dec 2021	Increase (decrease)
Revenue not yet billed	7,614.62	6,331.12	1,283.50
Accrued revenues	92.26	44.83	47.43
Retentions payable	860.63	715.51	145.12
Total	8,567.51	7,091.46	1,476.05
<u>Less</u> Allowance for doubtful accounts/ allowance for expected credit losses	(2.48)	(2.48)	-
<b>Total contract assets - net</b>	<b>8,565.03</b>	<b>7,088.98</b>	<b>1,476.05</b>

As at December 31, 2022, the revenue not yet billed has increased from December 31, 2021 with the following reasons;

- 1) In 2022, the Company's group obtained more construction projects which lead to the higher ongoing construction projects as well.
- 2) The project delivery will be proceeded according to the conditions specified in the construction contracts.

### Significant Changes in Liabilities:

1. Account payables and other payables as at December 31, 2022 amounting to 3,722.94 Million Baht, increased from December 31, 2021 in the amount of 759.67 Million Baht.

Details of account payable and other payables were as follows:

(Unit: Million Baht)

	As at 31 Dec 2022	As at 31 Dec 2021	Increase (decrease)
Account payables – related and non-related parties	2,935.74	2,552.09	383.65
Advance from – related and non-related parties	0.23	0.18	0.05
Other payables – related and non-related parties	133.02	60.41	72.61
Accrued expenses – related and non-related parties	653.95	350.59	303.36
<b>Total trade payables and other payables</b>	<b>3,722.94</b>	<b>2,963.27</b>	<b>759.67</b>

2. Debt initiated from contracts consists of advance revenues for construction cost in the amount of 4,980.27 Million Baht as at December 31, 2022, increased from December 31, 2021 in the amount of 940.45 Million Baht. The debt was incurred from signing construction contracts and receiving advance revenues for construction costs from the project owners. The advance revenues will be gradually deducted from the value of works delivered in each period. The conditions applied as specified in the construction contracts.

3. Long-term loans from banks which appeared in the statement as “Current portion of long-term loans from banks” and “Long-term loans from banks, net of current portion”, have the total amount as follows:

(Unit: Million Baht)

	As at 31 Dec 2022	As at 31 Dec 2021	Increase (decrease)
Current portion of long-term loans from banks	183.96	102.51	81.45
Long-term loans from banks, net of current portion	1,360.12	1,369.72	(9.60)
<b>SCU</b>	<b>1,544.08</b>	<b>1,472.23</b>	<b>71.85</b>

4. Debentures as at December 31, 2022 amounting to 492.81 Million Baht. On November 9, 2021, the Company issued and offered debentures No. 1/2022 to institutions and high net worth investors, with a total value of 500 Million Baht. The 2 years debentures have an interest rate of 6.90 percent per annum. The details of the amount received are as follows:

Debentures	500.00	Million Baht
<u>less</u> Deferred expenses for issuing debentures	<u>(7.19)</u>	Million Baht
Total proceeds from the sale of debentures, net	<u>492.81</u>	Million Baht

## 1. Analysis of the Operating Results of the Year 2022 compared to the Year 2021 According to the Consolidated Financial Statements

(MB: Million Baht)

Description	Year 2022	Year 2021	Increase (decrease)	
			Amount	Percentage
1.1 Revenue from construction	11,970.72 MB	9,888.74 MB	2,081.98 MB	21.05
1.2 Cost of construction compared with revenue from construction	94.42 %	101.84 %	-	(7.29)
1.3 Revenue from sales and services				
- Real estate development	415.59 MB	689.20 MB	(273.61) MB	(39.70)
- Concrete products and others	711.30 MB	509.44 MB	201.86 MB	39.62
1.4 Cost of sales and services compared with revenue from sales and services				
- Real estate development	84.79 %	72.29 %	-	16.72
- Concrete products and others	78.00 %	89.55 %	-	(12.90)
1.5 Sales and distribution expenses	83.79 MB	98.41 MB	(14.62) MB	(14.85)
1.6 Administrative expenses	566.01 MB	565.27 MB	0.74 MB	0.13
1.7 Loss in impairment	18.59 MB	29.83 MB	(11.24) MB	(37.68)
1.8 Financial expenses	283.73 MB	242.99 MB	40.74 MB	16.77

## 2. Operating results of the year 2021

(Unit: Million Baht)

Description	Year 2022	Year 2021
Profit (Loss) of the year attributable to shareholders' equity <u>according to the consolidated financial statements</u>	37.36	(768.34)
Profit (Loss) of the year <u>according to the separate financial statements</u>	1.18	(654.55)

## 3. Management Discussion and Analysis

For the operating results as at December 31, 2022, the Company and its subsidiaries had total revenues amounting to 13,240.33 Million Baht, divided into revenue from construction services of 11,970.72 Million Baht, revenue from sales and services of 1,126.89 Million Baht, and other revenues of 142.72 Million Baht. Compared to the year 2022, total revenues of the Company and its subsidiaries increased by 2,031.12 Million Baht or 18.12 percent, resulting from an increase in construction revenue of 2,081.98 Million Baht or 21.05 percent and a decrease in sales and services revenue of 71.75 Million Baht or 5.99 percent.

In 2022, the Company had a net profit for the year attributable to shareholders' equity amounting to 37.36 Million Baht. While in 2022, the Company had a net loss for the year attributable to shareholders' equity amounting to 768.34 Million Baht.

The Company recognized a share of loss from investment in associated companies in the year 2022 amounting to 15.96 Million Baht. While in 2021, the Company recognized a share of profit from the said transactions amounting to 7.00 Million Baht. Details of which were as follows:

(Unit: Million Baht)

	Investment proportion (Percentage)	Recognized Share of Profit (Loss)	
		Year 2021	Year 2021
C.I.N. Estate Company Limited	40	15.96	7.00

The Company still faces some problems and obstacles in doing business in 2021, even though the outbreak of COVID-19 has started to decrease able to recruit foreign workers to work. The competition among contractors remains fierce as ever. There are still many problems and obstacles. The cost of main materials has been adjusted to a higher price including the price of oil that has been adjusted higher as a result of the war between Russia and Ukraine. However, all executives and employees still strive to perform their duties to the best of their ability, so that the Company can overcome various problems and obstacles.

### 3.1 Operating results for the Year 2023

#### Construction Business

In 2022, the company's revenue from construction increased from 2021 equal to 2,081.98 Million Baht or 21.05% due to the Company having more construction projects since the second quarter of 2021, the problem of delivering the construction area from the project owner and delaying work due to revisions on the construction drawing. In addition, the impact of COVID-19 has subsided, allowing the Company to enter the construction area and gradually recognize more income. The top 3 construction projects that generate the most revenue for the Company in 2022 are:

- The 3<sup>rd</sup> runway construction project, Taxiway D Extension and Perimeter Taxiway at Suvarnabhumi Airport of the Airports of Thailand Public Company Limited, undertaking the construction in the name of TN Joint Venture. The revenue in 2022 according to the investment proportion is 1,397 Million Baht
- Terminal D Phase 2A, 2B & 2C Laemchabang construction project, the project owner is Hutchison Laemchabang Terminal Limited, the revenue in 2022 is 944 Million Baht.
- Construction project of Amata B.Grimm Power 1 & 2 : ABP1R & ABP2R Employer is TPSC (Thailand) Co., Ltd. Revenue in 2022 is 608 Million Baht.

#### Other businesses

In 2022, revenue from sales and services was 1,126 Million Baht, decreased from the year 2021 in the amount of 71.75 Million Baht or equivalent to 5.99 percent. The source of sales and services revenue are as follows:

- Revenue from concrete products increased from the year 2021 due to the ability to accelerate work in line with the delivery of construction sites and deliver the goods according to the plan
- Processed steel business
- Petrol business
- Food business
- The revenue from real estate development business has decreased from 2021 equal to 273.61 Million Baht or 39.70 percent and the Baranee Residence project was sold out, remaining only a sample house. Mana Pattanakarn Company Limited, which operates a real estate development business has 2 new projects in the category of detached houses as follows:

1. Baranee Bliss Project Rangsit Klong Sam with the project value of 1,275 Million Baht and is expected to open for sale in the third quarter of 2023.
2. Baranee Bliss Project (Rangsit-Wongwaen), Rangsit-Nakhon Nayok Road (Klong 5), with project value of 739 Million Baht and is expected to open for sale in the fourth quarter of 2023.

#### Sales and Distribution Expenses

Sales and distribution expenses of the year 2022 decreased 14.62 Million Baht or approximately 14.62 percent, compared with the year 2021. Details of sales and distribution expenses were as follows:

(Unit: Million Baht)

Name	Year 2022	Year 2021
Mana Patanakarn Company Limited	65.57	84.90
Advance Prefab Company Limited	16.20	10.11
Taste Maker Company Limited	2.02	3.40
<b>Total</b>	<b>83.79</b>	<b>98.41</b>

For the year 2022, Mana Patanakarn Company Limited, conducts real estate business, has lower expenses compared with the year 2021 rely on the decrease in sales, While Advance Prefab Co., Ltd., which operates in the business of concrete products, has increased transportation costs from the increased sales compared with the year 2021.

#### Administrative Expenses

Administrative expenses of the year 2022 increased in the amount of 0.74 Million Baht or 0.13 percent, compared with the year 2021. Details of administrative expenses were as follows:

(Unit: Million Baht)

Name	Year 2022	Year 2021
Nawarat Patanakarn Public Company Limited	329.12	321.01
Advance Prefab Company Limited	59.13	68.48
Mana Patanakarn Company Limited	73.26	87.86
Utility Business Alliances Public Company Limited	37.27	34.76
Taste Maker Company Limited	34.88	33.97
CAN Joint Venture	10.52	4.19
Other subsidiaries	21.83	15.00
<b>Total</b>	<b>566.01</b>	<b>565.27</b>

In 2022, the Company and its subsidiaries had more personnel expenses. While Mana Phatthanakan Co., Ltd., which operates in real estate development business has an increase in the cost of collecting work before transferring ownership.

## Financial Expenses

Financial expenses of the year 2022 increased in the amount of 40.74 Million Baht or 16.77 percent, compared with the year 2021. Details of administrative expenses were as follows:

(หน่วย : ล้านบาท)

Name	Year 2022	Year 2021
Nawarat Patanakarn Public Company Limited	249.09	210.57
Advance Prefab Company Limited	8.38	9.65
Mana Patanakarn Company Limited	8.91	13.41
Utility Business Alliances Public Company Limited	7.42	3.57
Taste Maker Company Limited	1.61	1.48
CAN Joint Venture	8.32	4.31
<b>Other subsidiaries</b>	<b>283.73</b>	<b>242.99</b>

Due to the reimbursement of the performance of various projects has been delayed. While the Company has fixed expenses. Therefore, it is necessary to loan from financial institutions and issuing debentures in the fourth quarter to increase liquidity, this results in the increase of financial costs. Meanwhile, Mana Pattanakarn Company Limited, which operates a real estate development business, has an decrease in finance costs due to the reduction of loan.

## Issuance and Offering of Debentures No. 1/2022

On November 9, 2022, the Company issued and offered unsubordinated debentures with no collateral and has a debenture holder representative offering to institutional investors and high net worth investors in the amount of 500,000 units, 1,000 Baht per unit, total value of 500 Million Baht, with 2 years maturity in full amount on November 9, 2024, interest rate of 6.90% per annum, with the objective to use as working capital. The interest shall be paid every 3 months. Interest payment for debentures in 2022 equals 5.01 Million Baht.

In accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to maintain Net Debt to Equity ratio at the rate of 3.25:1 at the end of the quarter and year-end period. Details are defined as follows:

“**Net Debt**” refers to the total amount of debts shown in the consolidated financial statements of the debenture issuer/loaner, deducted by cash and cash equivalents.

“**Equity**” refers to the share equity of the debenture issuer/loaner as shown in the consolidated financial statements.

“**Cash and cash equivalents**” refer to the total amount of cash and cash equivalents as shown in the consolidated financial statements of the debenture issuer/loan.

Net Debt to Equity Ratio According to the above definition as of December 31, 2022, equal to 2.06: 1

## Listing on the Market for Alternative Investment (MAI) of Utility Business Alliance Public Company Limited

On December 7, 2022, Utility Business Alliance Public Company Limited, a subsidiary, was listed on the Market for Alternative Investment (MAI), resulting in a decrease in investment proportion from 60 percent. To 43 percent without a change in control. As a result, investments in Utility Business Alliance Public Company Limited are still classified as investments in subsidiaries.

**Summary of the Company's Financial Status according to the Company's Consolidated Financial Statements as at December 31, 2021 (according to the revised financial statements).**

As at December 31, 2021, the Company had total assets in the amount of 17,166.98 Million Baht, which increased from the total assets as at December 31, 2020 in the amount of 2,481.27 Million Baht.

**Significant Changes in Assets:**

1. Cash and cash equivalents as at December 31, 2021 amounting to 1,425.05 Million Baht, which increased from December 31, 2020 in the amount of 254.81 Million Baht as the Company's group received the advance payment for construction costs according to the conditions defined in the construction contracts.

2. Account receivables and other receivables as at December 31, 2021 before deducting an allowance for doubtful accounts amounting to 2,312.41 Million Baht, which decreased from December 31, 2020 in the amount of 482.26 Million Baht.

Account receivables as at December 31, 2021 compared with those as at December 31, 2020 are as follows;

(Unit: Million Baht)

Description	Allowance for doubtful accounts/ allowance for expected credit losses	Total debts	Within due	Within 12 months past due	Over 12 months past due
Trade receivables as at December 31, 2020	1,049.35	2,756.15	1,282.46	428.91	1,044.78
Trade receivables as at December 31, 2021	1,067.96	2,280.21	788.58	431.10	1,060.53
Increase (decrease)	18.61	(475.94)	(493.88)	2.19	15.75

3. Contract assets as at December as at December 31, 2023 before deducting an allowance for expected credit losses amounting to 7,765.89 Million Baht, decreased from December 31, 2022 in the amount of 801.62 Million Baht. The assets that emerged from the contract, are as follows:

(Unit: Million Baht)

	As at 31 Dec 2021	As at 31 Dec 2020	Increase (decrease)
Revenue not yet billed	6,331.12	4,454.33	1,876.79
Accrued revenues	44.83	70.44	(25.61)
Retentions payable	715.51	543.91	171.60
Total	7,091.46	5,068.68	2,022.78
<u>Less</u> Allowance for doubtful accounts/ allowance for expected credit losses	(2.48)	(2.48)	-
<b>Total contract assets - net</b>	<b>7,088.98</b>	<b>5,066.20</b>	<b>2,022.78</b>

As at December 31, 2021, the revenue not yet billed has increased from December 31, 2020 with the following reasons;

- 1) In 2021, the Company obtained more construction projects which lead to the higher ongoing contraction projects as well.
- 2) The project delivery will be proceeded according to the conditions specified in the construction contracts.
- 3) Delivery of some project was postponed due to the outbreak of COVID-19.

4. Inventories as at December 31, 2021 amounting to 1,537.48 Million Baht, increased from December 31, 2020 by 641.83 Million Baht. The increased amount was due to the increasing of materials order which prepared for construction.

5. Project development cost as at December 31, 2021 amounting to 1,069.14 Million Baht, decreased from December 31, 2020 by 361.33 Million Baht. The major cause was from Mana Patanakarn Co., Ltd, the Company subsidiary that conducts real estate development as the main business, has successfully sold condominium and detached houses at a higher amount in the year 2021.

#### Significant changes in liabilities:

1. Bank overdrafts and short-term loans as at December 31, 2021 amounting to 4,604.70 Million Baht, increased from December 31, 2020 in the amount of 1,560.35 Million Baht due to the increasing of short-term loan from financial institutions in order to enhance more liquidity for the Company's operation.

2. Account payables and other payables as at December 31, 2021 amounting to 2,963.27 Million Baht, increased from December 31, 2020 in the amount of 721.32 Million Baht. Details of account payable and other payables were as follows:

(Unit: Million Baht)

	As at 31 Dec 2021	As at 31 Dec 2020	Increase (decrease)
Account payables – related and non-related parties	2,552.09	1,807.03	745.06
Advance from – related and non-related parties	0.18	0.79	(0.61)
Other payables – related and non-related parties	60.41	100.55	(40.14)
Accrued expenses – related and non-related parties	350.59	333.58	17.01
<b>Total trade payables and other payables</b>	<b>2,963.27</b>	<b>2,241.95</b>	<b>721.32</b>

3. Debt initiated from contracts consists of advance revenues for construction cost in the amount of 4,039.82 Million Baht as at December 31, 2021, increased from December 31, 2020 in the amount of 1,095.93 Million Baht. The debt was incurred from signing construction contracts and receiving advance revenues for construction costs from the project owners. The advance revenues will be gradually deducted from the value of works delivered in each period. The conditions applied as specified in the construction contracts.

4. Long-term loans from banks which appeared in the statement as “Current portion of long-term loans from banks” and “Long-term loans from banks, net of current portion”, have the total amount as follows:

(Unit: Million Baht)

	As at 31 Dec 2021	As at 31 Dec 2020	Increase (decrease)
Current portion of long-term loans from banks	102.51	536.30	(433.79)
Long-term loans from banks, net of current portion of the amount due within one year	1,369.72	1,385.05	(15.33)
<b>Total</b>	<b>1,472.23</b>	<b>1,921.35</b>	<b>(499.12)</b>

5. Debentures reached maturity date on August 28, 2020, thus the Company has redeemed the debenture in full amount, which was 1,720.10 Million Baht.

1. Analysis of the operating results of the year 2021 compared to the year 2020 according to the consolidated financial statement

Description	Year 2021	Year 2020	Increase (decrease)	
			Amount	Percentage
1.1 Revenue from construction	9,888.74 MB	7,728.59 MB	2,160.15 MB	27.95
1.2 Cost of construction compared with revenue from construction	101.84 %	95.08 %	-	7.11
1.3 Revenue from sales and services				
- Real estate development	689.20 MB	399.21 MB	289.99 MB	72.64
- Concrete products and others	509.44 MB	1,731.02 MB	(1,221.58) MB	(70.57)
1.4 Cost of sales and services compared with revenue from sales and services				
- Real estate development	72.29 %	73.11 %	-	(1.12)
- Concrete products and others	89.54 %	89.00 %	-	0.61
1.5 Sales and distribution expenses	98.41 MB	122.78 MB	(24.37) MB	(19.85)
1.6 Administrative expenses	565.27 MB	511.00 MB	54.27 MB	10.62
1.7 Loss in impairment	29.83 MB	94.24 MB	(64.41) MB	(68.35)
1.8 Financial expenses	242.99 MB	248.34 MB	(5.35) MB	(2.15)

2. Operating results of the Year 2021

Description	Year 2019	Year 2018
Profit (Loss) of the year attributable to shareholders' equity <u>according to the consolidated financial statements</u>	(768.34) MB	(240.93) MB
Profit (Loss) of the year <u>according to the separate financial statements</u>	(654.55) MB	(307.96) MB

### 3. Management Discussion and Analysis

For the operating results as at December 31, 2021, the Company and its subsidiaries had total revenues amounting to 11,209.21 Million Baht, divided into revenue from construction services of 9,888.74 Million Baht, revenue from sales and services of 1,198.64 Million Baht, and other revenues of 121.83 Million Baht. Compared to the year 2020, total revenues of the Company and its subsidiaries increased by 1,280.26 Million Baht or 12.89 percent, resulting from an increase in construction revenue in the amount of 2,160.14 Million Baht or 27.95 percent. On the other hand, sales and services revenue decreased in the amount of 931.59 Million Baht or 43.73 percent.

In 2021, the Company had a net loss of the year attributable to shareholders' equity amounting to 768.34 Million Baht. While in 2020, the Company had a net loss of the year attributable to shareholders' equity amounting to 240.93 Million Baht.

The Company recognized share of profits from investment in associated companies and joint ventures in the year 2021 amounting to 7.00 Million Baht. While in 2020, the Company recognized share of profits from the said transactions amounting to 18.13 Million Baht. Details of which were as follows:

(Unit: Million Baht)

	Investment proportion (Percentage)	Recognized Share of Profit (Loss) (Million Baht)	
		Year 2021	Year 2020
C.I.N. Estate Company Limited	40	7.00	18.13

In the year 2021, the Company faced many problems and obstacles due to the outbreak of coronavirus (COVID- 19) that emerged since the end of 2019. The pandemic severely impacted domestic and international economies, including foreign workers' migration. Construction projects of the government aiming to develop the country have begun bidding according to the budget. Although, there are problems, obstacles, and tense competitive bidding between construction companies, the Company's executives and all employees are committed to performing their duties at full capacity and do their best to overcome those problems and obstacles.

### 3.1 Operating results for the year 2021

#### Construction business

In 2021, revenue from construction services increased from the year 2020 in the amount of 2,160.15 Million Baht or 27.95 percent. The project cost has been adjusted because of the delay in handing over the project's area from the project owner, the problem of overlap projects and the revision on construction drawing which lead to the suspension in construction process. In 2021, the problem has been resolved. Many projects were able to start the construction process which revenue will be recognized accordingly. The three largest construction projects contributing the highest revenue in the year 2021 are as follows:

- a. The Changing of Aerial Electrical Cable System to Underground Electricity Cable Ratchada- Rama 9 Project of Metropolitan Electricity Authority. The project revenue in the year 2021 was 665.02 Million Baht.
- b. Structuring and providing architecture services for the Yellow Line Monorail (Lat Phrao – Samrong Section) of Mass Rapid Transit Authority of Thailand in which the Company is a sub-contractor of Sino-Thai Engineering and Construction Public Company. The project revenue in the year 2021 was 657.38 Million Baht.
- c. Construction of power plant called Amata B.Grimm Power 1 & 2: ABP1R & ABP2R. The employer is TPSC (Thailand) Co., Ltd. The project revenue in the year 2021 was 523.81 Million Baht.

#### Other businesses

In 2021, revenue from sales and services was 1,198.64 Million Baht, decreased from the year 2020 in the amount of 931.59 Million Baht or equivalent to 43.73 percent. The Source of sales and services revenue are as follows:

1. Revenue from concrete products decreased in the year 2021 due to the contribution of the subsidiary company called Advance Prefab Company Limited. The major cause is from the announcement of slow down production of concrete for Phase 3 - Suvarnabhumi project, where the main business of the subsidiary is the manufacture of concrete products.
2. Processed steel business
3. Petrol business
4. Food business
5. In 2021, the revenue from real estate development business has increased 289.99 Million Baht or 72.64 percent in comparison with the year 2020. The major cause is from Mana Patanakarn Co., Ltd, the Company subsidiary that conducts real estate development as the main business, has transferred the detached house of "Baranee Park" on Romkloa Road and condominium of "ASPEN CONDO", phase C, to customers at a higher volume compared to the year 2020.

### Sales and distribution expenses

Compared with the year 2020, sales and distribution expenses of the year 2021 decreased 24.37 Million Baht, or approximately 19.85 percent. Details of sales and distribution expenses were as follows:

(Unit: Million Baht)

Name	Year 2021	Year 2020
Mana Patanakarn Company Limited	84.90	75.18
Advance Prefab Company Limited	10.11	44.16
Taste Maker Company Limited	3.40	3.43
<b>Total</b>	<b>98.41</b>	<b>122.78</b>

For the year 2021, Advance Prefab Company Limited, conducts concrete product business, has decreased its transportation expenses due to the low sale volume compared with the year 2020. On the other hand, Mana Patanakarn Company Limited, conducts real estate business, has higher expenses compared with the year 2020 due to the specific business tax and local maintenance tax incurred when transferring the detached houses and condominium, including the contribution of administrative cost and marketing promotions and selling expenses.

### Administrative expenses

Administrative expenses of the year 2021 increased in the amount of 54.27 Million Baht, or 10.62 percent, compared with the year 2020. Details of administrative expenses were as follows:

(Unit: million Baht)

Name	Year 2021	Year 2010
Nawarat Patanakarn Public Company Limited	321.01	298.31
Advance Prefab Company Limited	68.48	61.87
Mana Patanakarn Company Limited	87.86	68.58
Utility Business Alliances Company Limited	34.76	39.20
Taste Maker Company Limited	33.97	35.21
CAN Joint Venture	4.19	-
Other subsidiaries	15.00	7.83
<b>Total</b>	<b>565.27</b>	<b>511.00</b>

In the year 2021, the Company recognized higher human resources expenses, office rental costs, office renovation costs, and higher bank fees. Moreover, Mana Patanakarn Company Limited, conducts real estate business, has faced incurred costs prior to transferring the assets and also recognized higher human resources expenses. The new joint ventures of the Company have been emerged in the year 2021, which increased the cost of stamp duty and other operation fees before the construction project begins.

## Record the loss in impairment

In 2021, the Company recorded the loss in impairment in the amount of 29.83 Million Baht, mainly due to the allowance of accounts receivable and the allowance of loans, which was projected according to the book value as follows:

(Unit: Million Baht)

Name	Amount
Nawarat Advance Prefab Myanmar Co., Ltd.	9.55
Other revenues	21.67
<u>Less Reversal of allowance for doubtful accounts</u>	<u>(1.39)</u>

## 3. Cash Flow Statement Analysis

Cash flow statement (consolidated financial statements)

(Unit : Million Baht)

Description	Year 2023	Year 2022	Year 2021
Cash flows from (used in) operating activities	199.80	(60.33)	(761.19)
Cash flows (used in) investment activities	(326.17)	(534.29)	(32.17)
Cash flows from financing activities	(316.94)	907.57	1,055.39
Increase (decrease) in translation adjustment	0.14	0.48	(7.22)
Cash and cash equivalent at the beginning of period	1,738.48	1,425.05	1,170.24
Cash and cash equivalent at the end of period	1,295.31	1,738.48	1,425.05

Cash from operating activities in the year 2023 indicated that the Company had a net cash flows in operating activities amounting to 199.80 Million Baht compared with the year 2022 which had a net cash flows used in operating activities amounting to 60.33 Million Baht. Key items that affect cash from operating activities were as follows;

1. Increasing of account receivables and other receivables of 28.00 Million Baht due to the payment of the delivered works which have been received.
2. Assets from contracts which consist of the revenue not yet billed, accrued revenues, retentions payable, were decreased in the amount of 801.62 Million Baht. The revenue not yet billed was the main factor as the project has been processed but it was not handover to the employers yet.
3. Increasing of inventories amounting to 321.24 Million Baht due to the materials for ready-made products and construction projects.
4. Increasing of account payables amounting to 912.68 Million Baht in relation to materials' cost and deliverables from sub-contractors.
5. Debt initiated from contracts consists of advance revenues for construction cost, was decreased in the amount of 1,512.35 Million Baht. The debt was incurred from receiving advance revenues for construction costs from the project owners. The advance revenues will be gradually deducted from the value of works delivered in each period. The conditions applied as specified in the construction contracts.

With respect to cash from investment activities in the year 2023, the Company had net cash flows from investing activities amounting to 326.17 Million Baht compared with the year 2022 in which the Company has net cash flows from investing amounting to 534.29 Million Baht. In 2023, the Company purchased equipment in the amount of 315.09 Million Baht, while the received cash from sales of equipment in the amount 20.86 Million Baht.

Cash flows from financing activities in the year 2023, the Company had net cash flows from financing activities amounting to 316.94 Million Baht compared with the year 2022 in which the Company has net cash flows from financing activities amounting to 907.57 Million Baht. Key items that affect cash from financing activities are as follows;

1. In 2023, a decrease of bank overdrafts and short-term loans from financial institutions amounting to 1,451.51 Million Baht and long-term loans amounting to 929.48 Million Baht. Meanwhile, the Company repaid a long-term loan to financial institutions amounting to 149.29 Million Baht.
2. On May 12, 2023, the Company issued and offered debentures No. 1/2023 equal to 500,000 units with total value at 500 Million Baht. The debentures have been sold 412,000 units or equal to 412 Million Baht. The net value, which deduced operating expense, was 405.94 Million Baht.

#### Summary of key activities that occurred during the year 2021 - 2023 which affected the cash flow statement

1. On November 9, 2022, the company issued and offered debentures No. 1/2022 to institutional investors and high net worth investors worth 500 Million Baht, with maturity date in 2 years, interest rate 6.90 percent per annum, interest to be paid every 3 months. Due for redemption in full on November 9, 2024 to be working capital for the business.
2. On May 12, 2023, the Company issued and offered debentures No. 1/2023 with total value of 500 Million Baht. The Company sold the debentures in total 412 Million Baht. The debentures have a maturity period of 2 years from the date of issuance and are due for redemption in full on May 12, 2025. The debentures carry an annual interest rate of 6.95 percent, payable quarterly throughout the term of the debentures. The purpose of issuing the debenture is to use it as working capital and to repay debts to creditors of loans from financial institutions and unrelated parties.
3. In 2018, the Company took a long-term loan of 500 Million Baht from a bank to repay the debentures due that year. The long-term loan is repayable in 6-month installments starting from January 2020 to July 2023. However, the Company and the bank have signed an amendment to the loan agreement. Suspension of loan repayment until December 2025, will return to pay in installments for 6 months as before, starting from January 2026 and complete the payment of all debts by August 2028.
4. In 2020, the Company took a long-term loan of 800 Million Baht from a bank to repay maturity debentures. The long-term loan is repayable in 6-month installments starting from August 2021 to July 2026. Subsequently, the Company and the bank signed an agreement to amend the loan agreement to suspend the repayment of the loan until January 2026, and will return to pay in 6-month installments as before starting in February 2026 and complete all debt payments by August 2031.
5. In 2023 the company took a long-term loan of 500 million baht from the bank. The long-term loan is repayable in 6-month installments starting from November 2025 2026 and will complete all debt payments by November 2027.
6. In the fourth quarter of 2022, Utility Business Alliance Public Company Limited, a subsidiary that operates the business of managing wastewater treatment systems, has allocated 170 million ordinary shares for capital increase, sold to the general public at a price of 1.70 Baht per share, received net proceeds after deducting various operating expenses of 282.34 Million Baht and listed the company on the Market for Alternative Investment on December 7, 2022. Although the proportion of the Company's investment in Utility Business Alliance Public Company Limited decreased from the originally 60 percent to 43 percent, there was no change in control. As a result, investment

in Utility Business Alliance Public Company Limited is still classified as investment in subsidiaries.

7. In 2023, the Company renovated building, purchased additional tools, machinery, equipment, office stationery, furniture, vehicles, and assets during construction at cost in amount of 313.08 Million Baht. In 2022 and 2021, the Company renovated building, purchased lands, tools, machinery, equipment, office stationery, furniture, vehicles and assets during construction in amount of 498.26 Million Baht and 177.44 Million Baht respectively. The Company purchased only necessary machinery and equipment, including replacement of the deteriorated ones. At the same time, the Company disposed the old and outdated machinery in order to save warehouse area and maintenance cost.

## 4.2 Summary of management policy of the Company to certain items that affect the Company's performance

### 1. The Company and the real estate development business

The Company would like to expand the business relating to the construction business and providing good return. In the year 2008 and 2009, the Company received debt repayment in form of lands and buildings from Ruen Rapee Company Limited and East Bangkok Assets Company Limited which are related parties. The Company expanded its business to real estate development and started the housing estate named Villa Baranee at Rangsit Klong 3 in Pathumthani Province. Subsequently, the Company organized a new structure within the group to facilitate the business operation in real estate development and established Mana Patanakarn Company Limited in which the Company invested 100 percent in the year 2013. The projects under construction by Mana Patanakarn are as follows:

1. Housing project "Baranee Park on" Romkloa Road, Bangkok
2. Housing project "Baranee Residence" at Rangsit Klong 3, Pathumthani
3. Condominium project "ASPEN" at Soi Lasalle, Srinakarin Road, Bangkok

Since the housing estates in the project "Baranee Residence" on Rangsit Klong 3 Road were sold out, there were only model houses left. Therefore, Mana Pattanakarn Co., Ltd. purchased land to start two housing projects which is a detached house project details as follows:

1. Baranee Bliss Project, Rangsit Klong Sam The project value is 1,275 Million Baht, is expected to open for sale in the third quarter of 2023 and started to recognize income in the fourth quarter of 2023.
2. Baranee Bliss Project (Rangsit-Wongwaen), Rangsit-Nakhon Nayok Road (Klong 5), project value 739 Million Baht, expected to open for sale in the fourth quarter of 2024 and started to recognize income in the thirdth quarter of 2024.

### 2. Summary of the Company's Management Policy on the transactions affecting the Company's operating results

#### 1. Management of related account receivables

Even though the Company has recorded a bad debt reservation appropriately based on the debt's age as analyzed by the Company, the Company has still closely followed up the debt payment. If account receivables, like Ruen Rapee Company Limited and East Bangkok Assets Company Limited have assets that can be appraised or repayable, the Company will assign the independent appraiser to evaluate prices before the settlement of the debt. If there is any construction work that debtor can work on, then the Company will consider having such debtor, like New Decade Company Limited, as sub-contractor in order to gain some income and repay the outstanding to the Company.

## 2. Cost of construction services

The price of oil on the global market has increased due to the conflict between Russia and Ukraine. While raw materials like steel and cement fluctuate in price over time, one of the challenges in cost control is the volatility of material prices. Price fluctuation makes it difficult to estimate construction costs in the future which may affect the proposal to employers or project owners. Even though the government projects are partially offset due to adjustment of construction costs, it does not cover all types of materials. The Company still has to bear some obligations. However, the government projects are still better than the private sector ones in that there is no compensation to contractors due to the adjustment of materials' price. The contractors have to prevent the risk by themselves. The Company can hedge the price risk in a short period of time, for example, by entering into a price agreement to purchase materials in advance, payment of materials in advance, or purchase of materials required for the entire project in advance, etc.

## 3. The ability to maintain the net debt to equity ratio (Net D/E ratio) according to the conditions in the long-term loan agreement of 500 Million Baht (2 contracts) and 800 Million Baht (1 contract) between the Company and a bank and according to the conditions of the Company's unsecured debentures of Nawarat Patanakarn Public Company Limited No. 1/2022 and No. 1/ 2023

Net Debt to Equity Ratio as defined in the long-term loan agreements of 500 Million Baht (2 contracts) and 800 Million Baht (1 contract) and as specified in the terms and conditions on the rights and obligations of the bond issuer and bondholders of the Company's debentures, No. 1/2022 and No. 1/2023, are specified as follows:

“**Net Debt**” refers to the total liabilities only with the interest-bearing debt shown in the consolidated financial statements of the borrower, deducted by cash and cash equivalents

“**Equity**” refers to the share equity of the borrower as shown in the consolidated financial statements.

“**cash and cash equivalents**” refer to the total amount of cash and cash equivalents as shown in the consolidated financial statements of the borrower.

The condition stipulates that the Company is required to maintain a net debt to equity ratio of 3.25: 1 throughout the term of the long-term loan at the end of the quarter and the end of the fiscal year. Regarding the definition of “Net Debt”, Net Debt to Equity ratio will be as mentioned below:

	As at December 31, 2023	As at December 31, 2022	As at December 31, 2021
	Consolidated financial statements	Consolidated financial statements	Consolidated financial statements
Net Debt to Equity (times)	2.80	2.06	2.12

#### 4. Factors that may affect the Company's financial status or business operation in the future

From the current business operation, the Company focuses on keeping control of the Company's cost not to over the estimation. However, there is a chance that the cost of construction materials and labor cost may rise which may affect the Company's total wage system. In addition, the shortage of workers forced the Company to hire foreign workers, and the average cost of foreign labor is higher than that of Thai workers. Also, unexpected situations are occurring, such as not receiving the construction site hand-over within the timeframe, meeting with obstacles during construction, changing of construction model, etc. Regarding the Company's income, the Company's customers are from government and private sectors, but the country's economic stability, political problem, and the government's policies affect the Company's business operation. Nevertheless, the Company will fully use its capability to successfully manage the business, rapidly analyze problems and impacts and adjust strategies deemed appropriate to solve those problems and effects.

### 4.3 Financial Highlights

#### 4.3.1 Financial Statements

##### (A) Summary of Auditor's Reports

**Financial Statement 2023:** The auditor presented an unqualified report of Nawarat Patanakarn Public Company Limited and its subsidiaries (the Group), which comprise of the consolidated statements of financial position as at December 31, 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period. The auditor determined the financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2023, the financial performance and cash flows for the year that ended in accordance with Thai Financial Reporting Standards.

The auditor identified revenue recognition from construction to be an area of significant risk in the audit. This is because the amount of revenue from construction that the Group recognizes in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement and the determination of the appropriate timing of recognition are areas requiring management to exercise significant judgment to assess the percentage of completion. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction.

The auditor assessed and tested the effectiveness of internal controls put in place by the Group over the process of entering into construction contracts, making estimates of project costs and revisions thereto, the recognition of revenue and the estimation of the percentage of completion by making inquiry of responsible executive, understanding of the controls, and selecting samples to test the operation of the designed controls.

**Financial Statement 2022:** The auditor presented an unqualified report of Nawarat Patanakarn Public Company Limited and its subsidiaries (the Group), which comprise of the consolidated statement of financial position as at December 31, 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period. The auditor determined the financial statements referred to above present fairly,

in all material respects, the financial position as at December 31, 2023, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

The auditor identified revenue recognition from construction to be an area of significant risk in the audit. This is because the amount of revenue that the Group recognizes in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement and the determination of the appropriate timing of recognition are areas requiring management to exercise significant judgment to assess the percentage of completion. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction.

The auditor assessed and tested the effectiveness of internal controls put in place by the Group over the process of entering into construction contracts, making estimates of project costs and revisions thereto, the recognition of revenue and the estimation of the percentage of completion by making enquiry of responsible person, understanding of the controls, and selecting samples to test the operation of the designed controls.

**Financial Statement 2021:** The auditor presented an unqualified report of Nawarat Patanakarn Public Company Limited and its subsidiaries (the Group), which comprise of the consolidated statement of financial position as at December 31, 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period. The auditor determined the financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2021, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

The auditor identified revenue recognition from construction to be an area of significant risk in the audit. This is because the amount of revenue that the Group recognizes in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement and the determination of the appropriate timing of recognition are areas requiring management to exercise significant judgment to assess the percentage of completion. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction.

The auditor assessed and tested the effectiveness of internal controls put in place by the Group over the process of entering into construction contracts, making estimates of project costs and revisions thereto, the recognition of revenue and the estimation of the percentage of completion by making enquiry of responsible person, understanding of the controls, and selecting samples to test the operation of the designed controls.

#### Auditors who audited financial statements of Nawarat Patanakarn Public Company Limited

The certified public accountants of EY Office Limited has audited the Company's financial statements.

	The year 2022- 2023	Mrs. Poonnard Paocharoen, Certified Public Accountant No. 5238
	The year 2021	Miss Kosum Cha-em, Certified Public Accountant No. 6011
Audit fee	The year 2023	Audit fee for the Company was 3.67 Million Baht per year
	The year 2022	Audit fee for the Company was 3.60 Million Baht per year
	The year 2021	Audit fee for the Company was 3.50 Million Baht per year

## General Information

### Summarized Corporate Financial Highlights

(Unit: Million Baht)

Financial Statements	31 December 2023	31 December 2022 (Revised)	31 December 2021 (Revised)
Total assets	18,642.50	19,981.81	17,166.98
Total Liabilities	16,671.27	17,210.24	14,730.09
Shareholders' equity	1,626.26	2,452.21	2,335.93
Fully paid common shares	2,585.48	2,585.48	2,585.48

(Unit: Million Baht)

Profit and loss statement	31 December 2023	31 December 2022 (Revised)	31 December 2021 (Revised)
Total revenues	11,244.06	13,263.14	11,219.85
Total expenses	12,224.31	13,198.21	11,967.25
Net profit (loss) attributable to the equity holders	(1,020.98)	37.36	(768.34)
Earnings per share (Baht)	(0.3949)	0.0144	(0.30)

(Unit: Million Baht)

Cash flow statement	31 December 2023	31 December 2022 (Revised)	31 December 2021 (Revised)
Cash flows from (use in) operating activities	199.80	(60.33)	(761.19)
Cash flows from (use in) investing activities	(326.17)	(534.29)	(32.17)
Cash flows from financing activities	(316.94)	907.57	1,055.39
Net increase (used in) in cash	(443.17)	313.44	254.81

(Unit: Million Baht)

Financial Ratios	31 December 2022	31 December 2022 (Revised)	31 December 2021 (Revised)
Net profit (loss) margin (%)	(9.11)	0.28	(6.85)
Return on equity (%)	(50.07)	1.56	(28.81)
Return on assets (%)	(5.29)	0.20	(4.82)
Return on fixed assets (%)	(26.34)	20.02	(15.52)
Liquidity ratio (Times)	0.01	(0.0044)	(0.07)
Debt to equity ratio (Times)	8.46	6.21	6.04
Dividend yield (%)	0.00	0.00	0.00

## 4.3.2) Financial Summary Table (comparing with the year 2021)

### Statement of financial position

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2023 (Revised)		As at 31 December 2022 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statements	Separate Financial Statement
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	1,295,309	935,234	1,738,484	1,263,310	1,425,048	1,313,589
Trade and other receivables	1,512,921	1,989,771	1,460,693	1,962,077	1,244,450	1,534,450
Contract assets	7,665,908	7,392,797	8,565,026	8,264,013	7,088,983	6,801,789
Short-term loans and advances	144,800	124,8000	1,410	1,410	-	-
Current portion of long-term loans	-	19,794	111,800	134,299	-	37,168
Inventories	1,282,671	1,036,377	1,602,972	1,347,226	1,537,475	1,326,278
Project development cost	1,167,167	14,485	1,057,353	14,485	1,069,141	14,485
Other current financial assets	6,613	6,613	6,542	6,542	6,511	6,511
Other current assets	2,036,047	2,078,431	2,050,122	2,040,697	1,476,793	1,469,131
<b>Total current assets</b>	<b>15,111,437</b>	<b>13,598,301</b>	<b>16,594,402</b>	<b>15,034,059</b>	<b>13,848,401</b>	<b>12,503,401</b>
<b>Non-current asset</b>						
<b>Restricted bank deposits</b>	209,401	130,214	190,557	115,152	184,548	109,770
Other non-current financial assets	10,747	10,747	10,747	10,747	10,747	10,747
Long-term loans	195,139	348,104	199,761	375,682	206,962	404,921
Investments in subsidiaries	-	1,713,327	-	1,713,327	-	1,713,327
Investments in associate	231,446	-	239,172	-	223,215	-
Investments properties	354,120	351,620	347,737	345,237	347,410	344,910
Property, plant and equipment	2,095,473	1,295,666	1,900,855	1,273,176	1,695,476	1,022,020
Right-of-use assets	335,973	152,274	385,460	196,927	446,274	249,525
Deferred tax assets	34,104	21,292	51,165	27,646	65,532	38,809
Other non-current assets	64,659	34,635	61,955	39,415	138,412	99,396
<b>Total non-current assets</b>	<b>3,531,062</b>	<b>4,057,878</b>	<b>3,387,408</b>	<b>4,097,308</b>	<b>3,318,575</b>	<b>3,993,425</b>
<b>Total assets</b>	<b>18,642,499</b>	<b>17,656,179</b>	<b>19,981,810</b>	<b>19,131,367</b>	<b>17,166,977</b>	<b>16,496,826</b>

Statement of financial position  
(continued)

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2022 (Revised)		As at 31 December 2021 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	3,222,218	3,081,578	4,673,731	4,529,432	4,604,697	4,483,026
Trade and other payables	4,679,182	4,679,130	3,722,941	3,686,293	2,963,267	2,755,904
Contract liabilities	3,543,930	3,526,313	5,056,282	5,031,659	4,052,209	4,007,079
Current portion of lease liabilities	52,973	46,515	66,785	60,289	77,403	71,995
Current portion of long-term loans from banks	375,889	-	183,963	-	102,509	30,000
Current portion of long-term loans from unrelated party which due within one year	13,750	-	22,500	-	32,000	-
Current portion of long-term loans from unrelated party	496,585	496,585	-	-	-	-
Short-term loans	238,164	236,729	270,987	269,487	160,129	158,579
Retention payable	826,224	834,577	613,293	617,027	491,577	471,979
Provision for construction project loss	25,344	25,344	30,701	30,701	64,373	64,373
Other current liabilities	254,218	164,817	225,111	130,784	316,567	150,953
<b>Total current liabilities</b>	<b>13,728,476</b>	<b>13,091,589</b>	<b>14,866,294</b>	<b>14,355,672</b>	<b>12,864,730</b>	<b>12,193,888</b>
<b>Non-current liabilities</b>						
Lease liabilities, net of current portion	198,582	74,951	183,374	59,398	214,165	87,265
Long-term loans from banks, net of current portion	1,948,389	1,858,665	1,360,124	1,195,000	1,369,720	1,195,000
Long-term loans from unrelated party, net of current portion	62,250	43,500	7,500	-	-	-
Hire purchase creditors and finance lease payable, net of current portion	407,787	407,787	492,807	492,807	-	-
Provision for long-term employee benefits	296,189	238,558	289,055	235,745	278,132	229,103
Deferred tax liabilities	25,187	-	6,262	-	-	-
Other non-current liabilities	4,411	3,787	4,826	2,490	3,341	2,490
<b>Total non-current liabilities</b>	<b>2,942,794</b>	<b>2,627,247</b>	<b>2,343,948</b>	<b>1,985,440</b>	<b>1,865,358</b>	<b>1,513,858</b>
<b>Total liabilities</b>	<b>16,671,269</b>	<b>15,718,836</b>	<b>17,210,242</b>	<b>16,341,112</b>	<b>14,730,088</b>	<b>13,707,746</b>

Statement of financial position  
(continued)

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2022 (Revised)		As at 31 December 2021 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
<b>Shareholders' equities</b>						
Authorized share capital						
2,585,481,515 ordinary shares of Baht 1 each	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482
Issued and fully paid						
2,585,481,515 ordinary shares of Baht 1 each	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482
Premium ordinary shares	968,944	968,944	968,944	968,944	968,944	968,944
Surplus from the change in the proportion of investments in subsidiaries	78,272	-	78,272	-	-	-
Retained earnings (deficits)	62,654	52,454	62,654	52,456	56,454	52,454
Appropriated-statutory reserve						
Unappropriated	(2,271,951)	(1,741,986)	(1,249,467)	(816,624)	(1,280,788)	(817,800)
Other components of shareholders' equity	202,861	72,449	6,326	-	5,843	-
Included equity attributable to owner of the Company	1,626,260	1,937,343	2,452,210	2,790,255	2,335,934	2,789,080
Non-controlling interests of the subsidiary	344,969	-	319,358	-	100,954	-
<b>Total shareholders' equity</b>	<b>1,971,230</b>	<b>1,937,343</b>	<b>2,771,568</b>	<b>2,790,255</b>	<b>2,436,889</b>	<b>2,789,080</b>
<b>Total liabilities and shareholders' equity</b>	<b>18,642,499</b>	<b>17,656,179</b>	<b>19,981,810</b>	<b>19,131,367</b>	<b>17,166,977</b>	<b>16,496,826</b>

## Statement of comprehensive income

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2022 (Revised)		As at 31 December 2021 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
<b>Profit and loss:</b>						
<b>Revenue</b>						
Revenue from construction	10,365,469	9,734,181	11,970,715	11,281,110	9,888,736	9,363,980
Sale and service income	687,451	186,449	1,126,894	271,905	1,198,643	185,107
Other income						
Other	150,925	148,096	142,719	153,768	153,441	234,657
<b>Total Revenue</b>	<b>11,203,845</b>	<b>10,068,726</b>	<b>13,240,328</b>	<b>11,706,782</b>	<b>11,209,208</b>	<b>9,783,744</b>
<b>Expenses</b>						
Cost of construction	10,379,415	9,938,665	11,302,691	10,805,691	10,070,322	9,663,063
Cost of sale and services	585,700	185,826	905,478	248,419	954,427	176,021
Selling and distribution expense	81,554	-	83,793	-	98,410	-
Administrative expenses	649,284	433,537	566,011	351,210	565,273	334,492
Loss on write-off assets	-	-	13,736	-	6,917	-
Impairment loss on financial assets	100,088	109,086	18,591	43,897	29,834	71,307
<b>Total expenses</b>	<b>11,796,041</b>	<b>10,667,114</b>	<b>12,876,564</b>	<b>11,449,217</b>	<b>11,718,266</b>	<b>10,244,883</b>
<b>Operating profit (loss)</b>	<b>(592,197)</b>	<b>(598,388)</b>	<b>363,764</b>	<b>257,565</b>	<b>(509,058)</b>	<b>(461,139)</b>
Share of profit (loss) from investments in associate	(7,726)	-	15,958	-	6,997	-
Financial income	40,210	52,010	7,308	21,101	3,645	18,283
Financial cost	(394,842)	(372,275)	(283,733)	(257,410)	(242,989)	(214,878)
<b>Profit (loss) before income tax expenses</b>	<b>(954,555)</b>	<b>(918,653)</b>	<b>103,230</b>	<b>21,256</b>	<b>(741,405)</b>	<b>(657,734)</b>
Income tax income (expenses)	(25,702)	(6,709)	(37,915)	(20,080)	(5,994)	3,185
<b>Profit (loss) for the year</b>	<b>(980,257)</b>	<b>(925,362)</b>	<b>65,382</b>	<b>1,176</b>	<b>(747,399)</b>	<b>(654,549)</b>

Statement of comprehensive income  
(continued)

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2022 (Revised)		As at 31 December 2021 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
<b>Other comprehensive income:</b>						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Exchange differences on translation of financial statements in foreign currency	137	-	483	-	(7,225)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods- net of income tax	137	-	483	-	(7,225)	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Appraisal surplus	245,497	90,562	-	-		
Actuarial loss (gain)	(1,194)	-	470	-	31,086	26,574
Less: Income tax effect	(48,860)	(18,112)	(94)	-	(6,217)	(5,315)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods-net income tax	195,442	72,449	376	-	24,869	21,259
Other comprehensive income for the year	195,579	72,449	859	-	17,644	21,259
Total comprehensive income for the year	(784,678)	(852,913)	66,241	1,176	(729,755)	(633,290)
<b>Profit (loss) attributable to:</b>						
Equity holders of the Company	1,020,985)	(925,362)	37,360	1,176	(768,339)	654,549)
Non- controlling interests of the subsidiary	40,728	-	28,023	-	20,940	
	(980,257)		65,382		(747,399)	
<b>Total comprehensive income attributed to:</b>						
Equity holders of the Company	(824,861)	(852,913)	38,004	1,176	(751,063)	(633,290)
Non-controlling interest of subsidiaries	40,184		28,237	-	20,940	
	(784,678)		66,241		(729,755)	
<b>Earning per share</b>						
Basic earning per share						
Profit attributable to equity holders of the Company	(0.3949)	(0.3579)	0.0144	0.0005	(0.2972)	(0.2532)
Dilution earning per share						
Profit attributable to equity holders of the Company						
Weighted Average Common Stock(thousand shares)	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482

## Cash flow statement

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021 (Revised)		As at 31 December 2020 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
<b>Cash flow from (used in) operating activities</b>						
Profit (loss) before income tax expense	(954,555)	(918,653)	103,298	21,256	(741,405)	(657,734)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:-Depreciation	469,054	388,344	405,982	322,063	417,461	323,979
Profit from fair value adjustment	(6,383)	(6,383)	(451)	(326)		
Impairment loss on financial assets	100,088	109,086	18,591	43,897	29,834	71,307
Reduction of inventory to net realizable value (reversal)	(943)	3	5,989	(2,099)	(5,967)	972
Reversal of reduction of project development cost to net realizable value	-	-	-	-	-	-
Cost on write-off withholding tax	5,146	4,898	204	99	860	856
Loss on write-off assets	-	-	-	-	-	-
Allowance for impairment of invest in association	-	-	-	-	-	-
Increase in provision for contingent liabilities from litigation (reversal)	-	-	-	-	(1,635)	(1,635)
Share of loss (profit) from invest in association	7,726	-	(15,958)	-	(6,997)	-
Gain on fair value adjustments of other current financial assets	(71)	(71)	(30)	(30)	(68)	(68)
Loss on fair value adjustments of other non- current financial assets	-	-	-	-	-	-
Loss (gain) on disposal and write-off equipment	23,902	25,613	(17,303)	(17,575)	(28,615)	(28,633)
Gain on disposal of equity instrument designated at fair value through profit and loss	-	-	-	-	(4,865)	-
Reversal of allowance for impairment of investment properties	-	-	-	-	-	-

Cash flow statement  
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021 (Revised)		As at 31 December 2020 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Loss on disposal investment properties	-	-	-	-	-	-
Reversal of allowance for loss on impairment of fixed assets	(21,239)	(21,239)	(16,037)	(15,161)	9,737	-
Unrealized loss (gain) on exchange	(476)	2,815	(949)	(8,761)	(1,044)	(26,090)
Increase in provision for long-term employee benefits	27,050	20,278	24,994	19,153	22,960	17,716
Increase (decrease) in provision for loss on construction project	(5,357)	(5,357)	(33,672)	(33,672)	56,755	56,755
Amortization of deferred debenture issuing cost	5,629	5,629	525	525	-	-
Dividend income	-	(11,842)	-	(19,350)	-	(110,400)
Interest income	(40,210)	(52,010)	(7,308)	(21,101)	(3,645)	(18,283)
Interest income	394,842	372,275	283,733	257,410	242,989	214,878
Profit from operating activities before changes in operating assets and liabilities	4,204	(86,613)	751,606	546,328	(12,010)	(154,728)

Cash flow statement  
(continued)

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2022 (Revised)		As at 31 December 2021 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Operating assets decrease (increase)						
Trade and other receivables	(28,005)	(5,723)	(276,333)	(491,451)	455,269	333,941
Contract assets	801,623	773,721	(1,476,043)	(1,462,225)	(2,022,781)	(1,960,617)
Inventories	321,244	310,846	(71,485)	(18,849)	(635,865)	(544,831)
Project development cost	(97,796)	-	16,525	-	361,587	-
Other current assets	164,327	120,162	(617,493)	(627,501)	(426,179)	(406,042)
Other non-current assets	388	5,245	59,211	59,981	31,590	33,069
Operating liabilities increase (decrease)						
Trade and other payables	912,677	992,602	754,127	925,083	723,655	794,287
Contract liabilities	(1,512,352)	(1,505,346)	1,004,073	1,024,581	1,095,183	1,097,484
Other current liabilities	20,329	36,563	(88,388)	(21,639)	(15,169)	(33,135)
Retention payables	212,931	217,550	121,716	145,048	135,985	148,572
Other non-current liabilities	(1,371)	1,297	846	-	2,022	1,379
Payment of long-term employee benefits	(19,916)	(17,465)	(13,714)	(12,512)	(15,340)	(14,382)
Cash from (use in) operating activities	778,281	842,840	164,649	66,845	(322,053)	(705,003)
Cash paid for interest expenses	(389,955)	(364,009)	(265,713)	(242,406)	(228,831)	(203,748)
Cash paid for income tax expenses	(207,688)	(191,047)	(268,408)	(232,648)	(215,410)	(196,007)
Income tax	19,160	6,791	309,140	281,036	5,103	-
Net cash from (use in) operating activities	199,797	294,574	(60,333)	(127,173)	(761,191)	(1,104,758)

Cash flow statement  
(continued)

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2022 (Revised)		As at 31 December 2021 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
<b>Cash flows from investing activities</b>						
Decrease (increase) in current investments	-	-	(1)	(1)	235	235
Cash receipt from the disposal of equity instrument designated at fair value through profit and loss	-	-	-	-	10,185	-
Decrease (increase) in short-term loans and advances	(97,600)	(86,758)	(1,410)	(10,750)	15,439	9,365
Cash receipt from sale long -term loan	50,410	52,297	-	-	-	-
Decrease (increase) in restricted bank deposit	(18,844)	(15,062)	(6,009)	(5,382)	46,965	73,868
Cash paid for long -term loan	15,600	41,906	-	37,938	12,000	58,131
Cash paid for investment in subsidiaries	-	-	(111,800)	(111,800)	(2,250)	(23,200)
Proceeds from disposal of equipment	-	-	-	-	-	(105,000)
Proceeds from disposal of investment in properties	20,857	17,996	26,236	25,613	34,364	34,193
Acquisition of equipment	(315,088)	(227,800)	(498,260)	(473,448)	(177,444)	(158,557)
Dividend income	-	11,842	-	19,350	-	110,400
Interest income	18,491	26,882	56,958	65,098	28,338	10,183
<b>Net cash from (used in) investing activities</b>	<b>(326,174)</b>	<b>(178,697)</b>	<b>(534,286)</b>	<b>(453,381)</b>	<b>(32,168)</b>	<b>9,618</b>

**Cash flow statement**  
(continued)

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2022 (Revised)		As at 31 December 2021 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
<b>Cash flow from (used in) financing activities</b>						
Increase in bank overdraft and short-term loan From financial institute net,	(1,451,513)	(1,447,853)	69,034	46,406	1,560,348	1,452,633
Cash receipt from short-term loans	330,998	234,998	185,642	185,642	141,270	130,548
Payment of short-term loans	(283,332)	(229,267)	(78,274)	(78,224)	(72,459)	(62,286)
Payment of liabilities under lease agreements	(87,553)	(72,931)	(99,410)	(85,831)	(113,047)	(98,084)
Cash receipt from long-term loans from unrelated party	25,500	1,500	30,000	-	-	-
Cash receipt from long-term loans from unrelated party	(21,500)	-	(32,000)	-	(8,000)	-
Cash receipt of long-term loans from banks	(149,291)	-	(168,170)	(30,000)	(484,937)	(37,500)
Repayment of long-term loans from banks	-	-	-	-	-	-
Cash receipt from non-controlling interests from investment in subsidiary	-	-	-	-	70,000	-
Cash receipt from issuing debentures	405,935	405,935	492,282	492,282	-	-
Increase ordinary shares in subsidiaries	-	-	281,339	-	-	-
Dividend paid by subsidiary to non-controlling interests	(15,661)	-	(12,900)	-	(73,600)	-
<b>Net cash from (used in) financing activities</b>	<b>(316,936)</b>	<b>(443,953)</b>	<b>907,571</b>	<b>530,275</b>	<b>1,055,392</b>	<b>1,385,311</b>
Increase (decrease) in translation adjustment	137	-	483	-	(7,225)	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(443,174)</b>	<b>(328,076)</b>	<b>313,435</b>	<b>(50,279)</b>	<b>254,808</b>	<b>290,171</b>
Cash and cash equivalents at beginning of year	1,738,484	1,263,310	1,425,048	1,313,589	1,170,240	1,023,418
<b>Cash and cash equivalents at end of year</b>	<b>1,295,309</b>	<b>935,234</b>	<b>1,738,483</b>	<b>1,263,310</b>	<b>1,425,048</b>	<b>1,313,589</b>

Cash flow statement  
(continued)

(Unit: Thousand Baht)

	As at 31 December 2023		As at 31 December 2022 (Revised)		As at 31 December 2021 (Revised)	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Supplement cash flows information						
Non-cash transactions						
Reclassify short-term loan and advances to long term loan			-	-	-	2,500
Transfer right-of-use assets to property, plant and equipment	73,317	72,950	48,405	46,488	33,345	32,068
Increase in right-of-use assets and lease liabilities from additional lease agreements	77,121	70,190	45,058	40,050	74,807	73,622
Reclassified short- term loan to long-term loan	42,000	42,000	-	-	-	-
Reclassified long- term loan to short- term loan	96,200	96,200	-	-	-	-
Capitalized interest as a part of project development cost	12,018	-	4,737	-	254	-

### 4.3.3 Financial Ratio Analysis

Consolidated financial statements and separate financial statements for the year ended 31 December 2021 (revised), 31 December 2022 (revised), and 31 December 2023

		For the Year Ended 31 December 2023		For the Year Ended 31 December 2022 (Revised)		For the Year Ended 31 December 2021 (Revised)	
		Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
<b>Liquidity Ratio</b>							
Current Ratio	(Times)	1.10	1.04	1.12	1.05	1.08	1.03
Quick Ratio	(Times)	0.20	0.22	0.21	0.22	0.21	0.23
Cash Flow Liquidity	(Times)	0.01	0.02	-0.0044	-0.01	-0.07	-0.11
Account Receivable Turnover	(Times)	5.92	4.10	6.24	4.54	4.35	3.39
Average Collection Period	(Days)	61	88	58	79	83	106
Inventory Turnover	(Times)	4.29	8.39	4.64	8.18	4.47	9.21
Average Sale (Inventory) Period	(Days)	84	43	78	44	81	39
Account Payable Turnover	(Times)	2.61	2.42	3.65	3.44	4.24	4.18
Average Payment Period	(Days)	138	149	99	105	85	86
Cash Conversion Cycle	(Days)	7	-18	37	18	79	59
<b>Profitability Ratio</b>							
Gross Profit Margin	(%)	0.79	-2.06	6.79	4.32	0.56	-3.04
Gross Profit Margin	(%)	-5.82	-6.43	1.83	1.28	-5.42	-6.54
Operating Profit Margin	(%)	1.35	1.47	1.07	1.31	1.09	2.40
Other Profit Margin	(Times)	-0.31	-0.46	-0.25	-0.86	N.A.(+1.27)	N.A.(+1.77)
Cash to profit margin	(%)	-9.11	-9.19	0.28	0.01	-6.85	-6.69
Net Profit Margin	(%)	-50.07	-39.15	1.56	0.04	-28.81	-21.33
<b>Return on Equity</b>		-9.11	-9.19	0.28	0.01	-6.85	-6.69
Return on Assets	(%)	-5.29	-5.03	0.20	0.01	-4.82	-4.36
Return on Fixed Assets	(%)	-26.34	-36.03	20.02	24.40	-15.52	-24.50
Assets Turnover	(Times)	0.58	0.55	0.71	0.66	0.70	0.65
<b>Financial Policy Ratio</b>							
Debt to Equity Ratio	(Times)	8.46	8.11	6.21	5.86	6.04	4.91
Interest Coverage Ratio	(Times)	2.04	2.33	1.78	1.44	-1.39	-3.46
Debt Service Coverage Ratio	(Times)	0.09	0.15	-0.07	-0.19	-0.82	-2.39
Dividend Payout Ratio	(%)	0.00	0.00	0.00	0.00	0.00	0.00

**Remark:** In accordance with the conditions of the three Long-Term Loan Agreements between the Company made with a commercial bank and conditions specified in "Terms and Conditions Governing Rights and Obligations of Bond Issuers and Bondholders" for "Unsecured Bonds of the Nawarat Patanakarn Public Company Limited No. 1/2023, due for redemption in 2025, "indicated that the ratio of net debt to equity according to consolidated financial statements must not exceed 3.25 : 1 at the end of every quarter and at the end of the year, defined as follows:

"Net Debt" refers to the total amount of debts that have interest as shown in the consolidated financial statements of the borrower, deducted by cash and cash equivalents.

"Equity" refers to the share equity of the borrower as shown in the consolidated financial statements.

"cash and cash equivalents" refer to the total amount of cash and cash equivalents as shown in the consolidated financial statements of the borrower.

Net Debt to Equity ratio regarding the above definition will be as below:

	As at 31 December 2023 Consolidated Financial Statement	As at 31 December 2022 Consolidated Financial Statement	As at 31 December 2021 Consolidated Financial Statement
Net Debt to Equity Ratio (times)	2.80	2.06	2.12

Summary of financial statements of the Company's joint ventures and subsidiaries, which the Company has invested in (Unit: Million Baht)

Subsidiaries/Joint ventures	2023			2022			2021		
	Total assets	Revenues	Profit (loss)	Total assets	Revenues	Profit (loss)	Total assets	Revenues	Profit (loss)
1. Nawarat - A.S. Associated Joint Venture	2	-	-	2	-	-	2	-	-
2. A.S. - Nawarat Joint Venture	1	-	(2)	1	-	(2)	1	-	(2)
3. Utility Business Alliance Co., Ltd.	713	532	71	807	664	68	550	534	52
4. Myanmar NWR Company Limited	-	-	(10)	-	-	(10)	-	-	(10)
5. Mana Patanakarn Co., Ltd.	1572	211	(65)	1,493	446	(56)	1,481	714	23
6. Advance Prefab Co., Ltd.	1698	754	(64)	1,346	837	36	1,269	485	(103)
7. Taste Maker Co., Ltd.	43	112	4	52	114	11	46	73	(12)
8. Nawarat (Cambodia) Company Limited	3	-	-	6	-	(2)	7	-	(1)
9. Nawarat Advance Prefab Myanmar Company Limited	22	12	(2)	23	9	(10)	30	14	(5)
10. NTA Joint Venture	64	189	6	120	337	14	151	438	17
11. NCREC Joint Venture	-	-	-	194	89	-	178	90	(1)
12. TN Joint Venture	825	1426	9	894	1,397	1	719	742	11
13. TN-CEI Joint Venture	67	90	3	91	106	4	42	11	-
14. NWR-AVP Joint Venture	18	14	(13)	52	129	(43)	97	82	3
15. Italian-Thai Nawarat Joint Venture	587	209	-	625	383	5	357	78	(2)
16. ITD-NWR Joint Venture	563	120	(2)	538	129	3	223	2	(3)
17. NTH Joint Venture	232	217	4	229	188	4	131	-	(1)
18. CAN Joint Venture	-	-	-	575	313	6	500	81	4
19. ITD-Nawarat Joint Venture	332	114	4	264	38	1	-	-	-
20. ITD-NWR Joint Venture	1285	443	29	994	102	-	-	-	-
21. NT Joint Venture	407	758	19	148	1	(1)	-	-	-

## 4.4.4 Management Discussion and Analysis

### Financial ratio analysis (in accordance with the consolidated financial statements)

#### 1. Liquidity ratio

Terms of debt repayment for account receivables are classified into 45-60 days for the government sector and 30 days for private sector. However, the average debt collection period of the Company was 61 days in 2023, 58 days in 2022, and 83 days in 2021.

The average period of selling goods was 84 days in 2023, 78 days in 2022, and 81 days in 2021. The Company accelerated the production to deliver goods in accordance with the schedule and to use in construction projects. Main materials were also purchased in advance to prevent the risk of price fluctuation.

The repayment period for trade payables was 138 days in 2023, 99 days in 2022, and 85 days in 2021.

The Company expedites the handing over process of the completed project to the project owner. The Company also needs to be careful and strict in debt collection. This is because the overall economic situation is still in trouble causing many debtors to have problems in business operations. This affects the Company in terms of liquidity in business operations as well. However, if economic and political conditions improve It is expected that the Company's liquidity will improve accordingly.

Ratio according to the consolidated financial statements	2023	2022	2021
Ratio of cash flow liquidity	0.01 times	(0.0044) times	(0.07) times

The Company has a liquidity problem, partly due to increased construction costs of some projects and issues with delivering projects to project owners. Some projects have delivery conditions specified in the contract, and the Company has faced delays in receiving payments from project owners beyond the agreed terms. Nevertheless, the Company is attempting to expedite debt collection, regularly following up with debtors. If debtors encounter liquidity issues, the Company offers opportunities for negotiation and problem-solving. Ultimately, if necessary, the Company may resort to legal action to enforce debt repayment. Additionally, the Company is considering advance procurement of certain essential materials throughout projects to mitigate price risks, thus reducing its cash flow liquidity.

#### 2. Profitability ratio

Ratio according to the consolidated financial statement	2023	2022	2021
Gross profit (loss)	0.79%	6.79%	0.56%
Operating profit (loss)	(5.82)%	1.83%	(5.42)%
Net profit (loss) margin	(9.11)%	0.28%	(6.85)%
Cash profitability ratio	-0.31	-0.25	N.A.(+1.27)

Note: The cash profit ratio for the year 2021 cannot be displayed as the figures are negative for both cash and profit.

The Company has been facing profitability problems continuously since 2017. Construction costs have increased due to some problems, such as the project owner's inability to deliver the construction site within the deadline. The project owner has modified the construction drawings, or the construction encounters unexpected underground obstacles need to modify the construction drawings, etc. In 2018, the profitability ratios have returned to a significantly improved level compared to the year 2017. However, the Company faced the same problem as it experienced in 2017, but was more severe as the issues occurred in many projects with high project values, combined with the severe and continuous outbreak of COVID-19 from the end of 2019 until now. The costs and expenses of every project are much higher than the original budget.

The problems that the company is facing and needs close monitoring and rectification are cost control issues in construction, delivery issues of construction projects to project owner, and delayed payments from accounts receivable due to non-compliance with terms, either because of economic conditions or liquidity problems of the debtors themselves.

### 3. Efficiency ratio

During 2021 to 2023, the Company has purchased new machines for specific projects. and to replace old machines The new tools, machines and equipment purchased in 2021, 2022 and 2023 have a total value of 79.33 Million Baht, 264.03 Million Baht and 128.17 Million Baht respectively. The Company's performance from 2021 shows a net loss performance. Therefore, the return on total assets, the return on fixed assets and the rate of return on equity shows a negative results. Eventhough in the year 2022, the Company's performance resulted in net profit, the profit figures were not high. But it makes the Company confident that the Company will be able to generate a satisfactory rate of return continuously in the following years. In fact, the Company's performance of the year 2022 reflects net loss due to several factors.

Ratio according to the consolidated financial statement	As at the year ended 31-12-23	As at the year ended 31-12-22	As at the year ended 31-12-21
Return on total assets	(5.29)%	0.20%	(4.82)%
Return on fixed assets	(26.34)%	20.02%	(15.52)%
Return on equity	(50.07)%	1.56%	(28.81)%

### 4. Leverage ratio

As the Company faced a loss from business operations in 2021, the loss was 747.40 Million Baht (loss attributable to the shareholders of the Company equal to 768.34 Million Baht). The debt to equity ratio was equal to 6.04 times. In 2022, the Company gain profit in the number of 65.38 Million Baht (profit attributable to shareholders of the Company equal to 37.36 Million Baht), the debt to equity ratio adjusted to 6.21 times. In 2023, the operation returned to show loss equal to 980.26 Million Baht (loss attributable to shareholders of the Company equal to 1,020.98 Million Baht), debt to equity ratio equal to 8.46. The Company has urgently solved the ongoing issue in order to gain profit as soon as possible.

Ratio according to the consolidated financial statements	As at the year ended 31-12-23	As at the year ended 31-12-22	As at the year ended 31-12-21
Debt to equity ratio	8.46 times	6.21 times	6.04 times

## 5. General Information and Other Significant Information

### 5.1 General Information

Company Name	Nawarat Patanakarn Public Company Limited
Securities Abbreviation	NWR
Type of Business	Construction contracting business
Location	Bangna Towers A, 18 <sup>th</sup> -19 <sup>th</sup> Floor, No. 2/3 Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540
Company Registration Number	0107538000096
Registered Capital	2,585,481,515 Baht and paid-up capital of 2,585,481,515 Baht divided to 2,585,481,515 ordinary shares at the par value of 1 Baht per share
Website	www.nawarat.co.th
Telephone	(662) 730-2100
Fax	(662) 751-9484 to 90
Company's Secretary	Miss Pakatip Lophansri Tel. (662) 730-2197
Investor Relations Division	Mr. Pasan SwasdiburiTel. (662) 730-2195
Auditor	EY Office Limited (Formerly Ernst & Young Office Limited) By Mrs. Poonnard Paocharoen Certified Public Accountant (Thailand) No. 5283 33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Bangkok 10110 Tel. (662) 264-9090, Fax. (662) 264-0789-90
Legal Advisor	Weerawong, Chinnavat & Partners Ltd. 22 <sup>nd</sup> Floor, Mercury Tower, No. 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330 Tel. (662) 264-8000  Enlighten Corporation Co., Ltd. 41 Museum of Sustainable Buddhism Bldg., 3 <sup>rd</sup> Fl., Soi Pattanakarn 64, Pattanakarn Road, Prawet, Bangkok 10250 Tel. (662) 049-1095

#### Branch offices

- 1796 Bangna-Trad Road, Bangna, Bangkok
- 329 Moo 5, Srisa Chorakhe Yhai, Bang Sao Thong, Samutprakarn

#### Pre-stressed concrete piles, pre-cast concrete products and processed steel plant

- 1796 Bangna-Trad Road, Bangna, Bangkok
- 53/4 Moo 9, Prong Akat, Bang Nampreaw, Chachoengsao

#### Pre-cast concrete jacking pipes and pre-cast concrete shaft plant

- 31/13 Rama II Road Km. 33.5, Bang Krachao, Muang District, Samutsakhon

#### Shell petrol station by Nawarat Patanakarn Public Company Limited

- 329 Moo 5, Srisa Chorakhe Yhai, Bang Sao Thong, Samutprakarn

#### Share registrar

The Thailand Securities Depository Company Limited  
The Stock Exchange of Thailand Building,  
93 Rachadapisek Road, Dindaeng, Bangkok 10400  
Tel. (662) 009-9000

## 5.2 Other Significant Information

- None –

## 5.3 Legal Disputes

Legal disputes in which the Company is one of the party in the case or dispute, focusing on the cases that may have an effect on the Company's assets more than 5% of the shareholders' equity as at December 31, 2023 (1,971 Million Baht), or equal to 99 Million Baht are as follows;

### 1. Black Case No. Phor Bor. 9 12/2561, the Civil Court of Southern Bangkok

**Between:** Nawarat Patanakarn Public Company Limited (Plaintiff), and  
Tilleke & Gibbins International Ltd. (the First Defendant) and et al. defendant, in total 2 defendants  
(Defendants)

**Ground:** Wrongful acts and claim for compensation

**Assignment:** The Company claimed that the Defendants indicated a wrong interest rate in the arbitration case between the Company and Vichitbhan Construction Company Limited and et al. defendant, in total 5 defendants.

**Claim value:** 519,025,730 Baht with an interest rate of 7.5 percent per annum from the date of filing onwards, until the date that payment is complete.

**Status of the case:** The Supreme Court has received the petition of the Company (Plaintiff) and is awaiting for the court's verdict.

2. **Civil case:** Black Case No. 1870/2543 and Red Case No. 5875/2545, the Civil Court of Southern Bangkok  
**Between:** Nawarat Patanakarn Public Company Limited (Plaintiff), and  
LPCB Company Limited (Defendant)  
**Ground:** Breach of contract, plead guilty  
**Claim value:** 18,703,183.91 Baht

The court of first instance rendered a ruling on June 21, 2002, ordering the Defendant to pay the outstanding with the interest of 18,464,218.31 Baht and the interest at the rate of 7.5 percent per annum of the principal 13,029,992 Baht, calculating from the date of filing onwards until the payment is complete. The court also ordered the defendant to pay for the fee on behalf of the Plaintiff, by determining a lawyer fee of 10,000 Baht.

The Court of Appeal issued a ruling on December 19, 2005 in favor of the Company (Plaintiff) while the Defendant did not appeal the ruling to the Supreme Court. Therefore, the ruling is final.

However, the Defendant has been sued (as the second defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company applied for debt repayment as to be mentioned in item 5 hereof.

3. **Civil case:** Black Case No. 23/2549 and Red Case No.953/2549, the Samutprakan Provincial Court  
Nawarat Patanakarn Public Company Limited by Miss Pakatip Lopandhsri, authorized representative, filed an application to the court for enforcement of the arbitration award.

In this case, the Company filed an application to the court to enforce LPCG Company Limited to follow the final award of the arbitration tribunal in Black Case No. 16/2544 and Red Case No. 38/2546 between Nawarat Patanakarn Public Company Limited (Claimant) and LPCG Company Limited or The Seri Center Co., Ltd. (Opponent). This case was final on July 24, 2006 where the court rendered a ruling ordering LPCG Company Limited to perform required actions as awarded by the arbitration tribunal.

However, LPCG Company Limited has been sued (as the first defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company applied for debt repayment as to be mentioned in item 5 hereof.

4. **Civil case:** Black Case No. 4818/2544, Red Case No. 14954/2545, the Civil Court of Southern Bangkok  
**Between:** Nawarat Patanakarn Public Company Limited (Plaintiff), and  
LPCG Company Limited or The Seri Center Co., Ltd. (Defendant)

The court of first instance appointed and announced the court ruling on December 27, 2002, ordered the Defendant to pay 49,379,542.57 Baht together with interest rate 15 percent per annum of the principal amount of 4,207,532 Baht in accordance with the construction of pedestrian bridge contract interest rate 7.5 percent per annum of the principal amount of 33,021,398.32 Baht in accordance with the project management and construction control (including cost of additional works) calculating from the date of filing onwards until the payment is complete. The court also ordered the Defendant to pay for the fee on behalf of the Plaintiff, by determining a lawyer fee of 30,000 Baht. The Defendant did not appeal the ruling, thus, the ruling is final.

However, LPCG Company Limited has been sued (as the first defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company submitted an application for debt repayment as to be mentioned in item 5 hereof.

**5. The Central Bankruptcy Court: Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550**

**Between:** Phethai Asset Management Co., Ltd. (Creditor as a Plaintiff), and  
LPCG Company Limited or The Seri Center Co., Ltd. (First Debtor as the First Defendant), LPCB  
Company Limited or Suvit and Seri Co., Ltd. (Second Debtor as the Second Defendant)  
(Nawarat Patanakarn Public Company Limited (Creditor No. 17))

The Central Bankruptcy Court rendered a ruling on August 17, 2009, ordering that LPCG Company Limited or The Seri Center Co., Ltd. (the First Debtor) and LPCB Company Limited or Suvit and Seri Co., Ltd. (the Second Debtor) are insolvent.

The Central Bankruptcy Court issued a court order, ordering that Nawarat Patanakarn Public Company Limited (Creditor No. 17) shall be reimbursed for the three portions of debts as per court decisions in the total amount of 137,361,799.49 Baht (One Hundred Thirty-Seven Million Three Hundred Sixty-One Thousand Seven Hundred Ninety-Nine point Four Nine Thai Baht). The court ordered that the Company shall be reimbursed the first portion from the assets of LPCG Company Limited or The Seri Center Co., Ltd. (the First Defendant) in the amount of 69,516,582.91 Baht, the second portion from the assets of LPCG Company Limited or The Seri Center Co., Ltd. (the First Defendant) in amount of 41,806,391.67 Baht and the third portion from the assets of LPCB Company Limited or Suvit and Seri Co., Ltd. (the Second Defendant) in amount of 26,038,824.91 Baht as an unsecured creditor under Section 94 of Bankruptcy Act. B.E. 2483 by distributing the assets among creditors as stated in Section 130 (7) of the Bankruptcy Act. B.E. 2483 (as amended by the Bankruptcy Act. (No.5) B.E. 2542).

Currently, the case is in the process of collecting a Debtor' assets and announcing the selling of LPCB Company Limited's asset, the Second Debtor, through public auction to enforce the court order.

**6. The Central Bankruptcy Court: Black Case No. For. 236/2545 and Red Case No. For. 352/2545**

**Between:** LPCA Company Limited (Premier Estate Development Co., Ltd.) (Debtor)  
Nawarat Patanakarn Public Company Limited (Creditor No. 22)

In this case, Nawarat Patanakarn Public Company Limited submitted an application for debt repayment of 11,967,453.32 Baht to the Civil Case Enforcement on May 18, 2009. The application is pending for the court order on the amount of the payment that will be made to the Company.

On August 4, 2016, the Official Receiver announced the first auction for the assets of LPCA Company Limited which consist of 27 plots of land located Saphan Sung sub-district, Saphan Sung district (Bueng Kum), Bangkok, but there was no bidder. Thus, the auction was dismissed.

On August 25, 2016, the Official Receiver announced the second auction where Pruksa Real Estate Public Company Limited proposed buying all 27 plots of land with the highest price of 576,790,000 Baht. However, the Creditor (Plaintiff) and Premier Products Co., Ltd. (Creditor No. 18) opposed it as they considered that the offered price was too low. Therefore, the Official Receiver postponed the action with the conditions that the opponents shall find other bidders who will offer a satisfactory price, otherwise, the objection will be rejected, and the offeror who proposed the highest price shall be bound by their offer for 30 days from the offered day onwards.

On September 15, 2016, the Official Receiver announced the third auction where Pruksa Real Estate Public Company Limited proposed for the land with the title deed No. 6324, 1798, 2413-2415, 3447, 3449, 3888, 165075-165082, 167467, 167468, 172218-172223, 79, 460 and 461 located Saphan Sung sub-district, Saphan Sung district (Bueng Kum), Bangkok, in total 27 lands, in amount of 710,000,000 Baht (Seven Hundred Ten Million Thai Baht). The buyer put

20,000,000 Baht (Twenty Million Thai Baht) as a deposit and executed a contract by agreeing that they will pay for the remaining amount of 690,000,000 Baht (Six Hundred Ninety Million Thai Baht). Afterwards, Pruksa Real Estate Public Company Limited applied for a payment extension and the Official Receiver allowed the extension and the payment shall be made on December 30, 2016.

Premier Estate Development Co., Ltd. (Claimant) filed an objection with the Central Bankruptcy Court that the action price was too low. The court considered and ordered to dismiss the objection. Subsequently, the Claimant appealed against the order but the Supreme Court rejected the appeal.

On April 24, 2019, the Official Receiver appointed for the 1st checking of assets of LPCA Company Limited (Debtor) for distributing to Creditors at the Asset Tracing and Distribution of Dividends Division. The Official Receiver ordered that Nawarat Patanakarn Public Company Limited shall get the 0.252 percent distribution as per Section 103 (7) which is 19,572.92 Baht.

Currently, the is in the process of collecting the Debtor's assets to sell the Debtor's assets through a public auction, and distribute the proceeds among Creditors accordingly.

**7. Dispute under the Office of the Arbitration Tribunal, the Board of Trade of Thailand: Black Case No. 5/2553**

**Between:** Nawarat Patanakarn Public Company Limited (Claimant)  
Metropolitan Waterworks Authority (Defendant)  
**Ground:** Breach of service agreement, claim for compensation  
**Claim value:** 145,274,300.25 Baht

**Status of the case:** On June 22, 2010, the Claimant referred a dispute to the Board of Trade of Thailand regarding the claim for compensation from Metropolitan Waterworks Authority (Defendant) due to additional works in relation to the construction of water transmission tunnel and related works on the Eastern Outer Ring Road between Royal Road Intersection No. 351 and Tubchang Intersection in accordance with the agreement no. G-MC-7D/2 dated March 6, 2007. The additional work was incurred due to the quality of the soil, which is different from the quality defined in the agreement, which is not caused by the default of the Claimant. The additional works incur additional expenses to the Claimant in the amount of 137,960,503.79 Baht together with the interest at a rate of 7.5 percent per annum, calculating from October 6, 2009 which is the date that the Defendant declined to pay the additional cost. The interest calculated 258 days equal to 7,313,796.56 Baht, therefore, the total claim until the date of dispute is 145,274,300.25 Baht.

On May 13, 2016, the Office of the Arbitration Tribunal awarded that the Claimant shall be reimbursed in amount of 8,000,000 Baht as a compensation for the additional costs of rubber sealing material and the payment shall be made to the Claimant within 60 days after received of this award. If the payment has not been made within the due date, then the Defendant shall pay for the interest at the rate of 7.5 percent per annum calculating from the due date until the payment is complete. Other than the award amount, it shall be vested with the Claimant.

Currently, the award by the Office of the Arbitration Tribunal is being enforced. However, Metropolitan Waterworks Authority applied a motion to the Central Administrative Court, requesting the court to revoke the award of the Office of the Arbitration Tribunal as to be mentioned in item 8 below.

In this case, Bureau of Administrative Case Execution, Office of The Administrative Courts tendered a letter to Nawarat Patanakarn Public Company Limited on June 14, 2023, informing that the Supreme Administrative Court issued a judgment as detailed in the case referred to item no.9, which resulted in the dismissal of this case per the judgment of the Supreme Administrative Court.

**8. Case under the Central Administrative Court: Black Case No. Aor. 178/2563 (162/2560) and Red Case No. Aor. 271/2566(600/2563)**

**Between:** Metropolitan Waterworks Authority (Claimant)  
Nawarat Patanakarn Public Company Limited (Opponent)

On January 27, 2017, Metropolitan Waterworks Authority (Claimant) applied a motion to the Central Administrative Court, requesting the court to revoke the award of the Office of the Arbitration Tribunal. The Claimant requested the court to revoke and reject the enforcement of the Office of the Arbitration Tribunal award as mentioned in item 8 above which awarded that the Claimant shall pay 8,000,000 Baht as compensation for the additional costs of rubber sealing material and the payment shall be made within 60 days after received of the award (November 3, 2016). If the payment has not been made within the due date, then the Claimant shall pay an interest at the rate of 7.5 percent per annum calculating from the due date until the payment is complete, according to Section 40(1) (d) (e), (2) (b), Section 43 (4)(5) and Section 44 of the Arbitration Act. B.E. 2545.

On August 29, 2017, the Claimant submitted objections to the testimony and the testimony to the counterclaim to the Central Administrative Court by Nawarat Patanakarn Public Company Limited. On November 6, 2017, Nawarat Patanakarn Public Company Limited, as the Opponent, submitted an additional testimony to counter the objection made by the Claimant. After that, on January 3, 2018, the Claimant submitted additional testimony. The Central Administrative Court gave a notice appointing the final date for inquiry fact shall be June 21, 2018.

The Central Administrative Court appointed and announced the court ruling on April 23, 2020, ordered that the Claimant's petition be dismissed and the Claimer shall perform the required actions as awarded by the Office of the Arbitration Tribunal for the Black Case No. 5/2553, Red Case No. 1/2559, dated October 31, 2016, and shall complete the required action within 60 days from the ruling date, and refund the court fee to the Claimer and the Opponent.

The Claimant appealed to the Supreme Administrative Court on May 18, 2020 and the Opponent filed against the appeal on October 5, 2020.

On May 16, 2566, the Supreme Administrative Court scheduled a hearing and reversed the judgment of the Administrative Court, ordering the revocation of the Office of the Arbitration Tribunal's award on the Black Case No. 5/2553 and the Red Case No. 1/2559, dated October 31, 2016. The court also ordered the return of court fees paid by the Claimer and the Opponent.

Now, the case has reached its conclusion following the judgment of the Supreme Administrative Court.

**9. Case Nonthaburi Provincial Court: Black Case No. Por. 1434/2563**

**Between:** Chaophrayamahanakorn 2019 Co., Ltd. (Plaintiff)  
Nawarat Patanakarn Public Company Limited (First Defendant) and et al. in total 2 defendants (Defendants)

**Monetary claim:** (as claimed) 42,175,771.94 Baht (as counterclaimed) 103,681,544.66 Baht

**Brief Fact:** Chaophrayamahanakorn 2019 Co., Ltd. filed a lawsuit alleging that Nawarat Patanakarn Public Company Limited and two others breached a contract by not paying for the contract fee and demanded both Defendants jointly pay damages. The First Defendant filed a counterclaim denying the breach of contract and alleging that it was the Plaintiff who breached the contract. Thus, they counterclaimed damages and asserted that the Defendants, not general partners, hence cannot be jointly liable as a joint debtor.

Current Status: Witness hearing was scheduled to be conducted on February 11 to February 14, 2025.

10. **The Administrative Court: Black Case No. 2334/2565**

**Between:** Mrs. Thanida or Nutsuda Worakoeyarsa or Sriautta (First Plaintiff) and et al. in total 4 plaintiffs  
The Department of Highways (First Defendant) and et al. in total 7 defendants (Defendants)  
Nawarat Patanakarn Public Company Limited (Fifth Defendant)

**Monetary claim:** 44,615,395.49 Baht

**Brief Fact:** On July 19, 2023, the Central Administrative Court convened for the first hearing to mediate the dispute. The Plaintiff confirmed the damages as stated in the complaint, totaling 14,149,200 Baht. The sixth defendant and the seventh defendant (insurance) proposed a settlement amount of 3.5 Million Baht. Details are as follows:

1. The First Plaintiff : 1,134,000 Baht
2. The Second Plaintiff : 1,134,720 Baht
3. The Third Plaintiff : 283,392 Baht
4. The Forth Plaintiff : 495,936 Baht

The Plaintiffs agree with the amount of settlement for the First, Third, and Forth Plaintiff as proposed by the seventh defendant. For the Second Defendant, the Plaintiff requested the sixth defendant and the seventh defendant to reconsider the settlement amount. The seventh defendant informed that if the plaintiff accepts the settlement of damages of 3,500,000 Baht, the seventh defendant can make the payment immediately within 3 weeks by contacting the seventh defendant before the second mediation session. Therefore, the next mediation session is scheduled for September 6, 2023, at 10:00 AM.

On August 18, 2023, the Central Court ordered the Defendants to provide additional testimony because all four plaintiffs had filed objections to the initial testimony submitted to the court. The Defendants were instructed to submit the additional testimony within 15 days from the date of receiving the order, which would be on September 2, 2023. However, the Defendants requested a 30-day extension to submit the additional testimony.

On September 6, 2566, the Central Administrative Court scheduled a second mediation session. The plaintiffs sought compensation of 5,000,000 Baht from the Seventh Defendant. The Seventh Defendant stated that they would need to propose the amount to the management first, which would require time for consideration, so there was still no clarity on this matter. However, the attorney appointed by the Seventh Defendant in case could propose compensation to the Plaintiffs in the amount of 3,700,000 Baht. The Plaintiffs found this amount insufficient and rejected it. While it may not be possible to reach an agreement in this mediation session, the parties can still negotiate before the court issues a judgment.

On September 15, 2023, the Central Administrative Court issued a court order stating that since the parties were unable to reach mutual agreement, the court ordered the dispute to be resolved in accordance with Article 34, Rule of the General Assembly of Judges of the Supreme Administrative Court on Administrative Court Procedure.

On October 31, 2023, the Company submitted additional testimony of the Fifth Defendant to the Central Administrative Court through the court's online system. The court is currently investigating the facts.

11. Thanyaburi Provincial Court: Black Case No. Por 408/2566,

**Between:** Nawarat Patanakarn Public Company Limited (Plaintiff)  
NRT Sales and Service Co., Ltd. (First Defendant)  
Kasikornbank Public Company Limited (Second Defendant)

**Monetary claim:** 44,615,395.49 Baht

**Brief Fact:** Plaintiff (as the contractor) filed a lawsuit alleging that the First Defendant breached a contract and demanded Defendants to pay for the advance payment of raw materials and contractual penalty. The Second Defendant must jointly or alternatively with the First Defendant reimburses the advance payment of raw materials and contractual fines to the plaintiff. (The Second Defendant's liability shall not exceed the remaining amount according to the guarantee document, which is 13,383,110.93 Baht).

Status of the case: Waiting for the court's verdict, the hearing date is set to be on March 26, 2024.

For the account receivables that the Company filed a lawsuit as mentioned above, while recording those as allowance for doubtful accounts. If the payment has been made, the Company shall record the received amount as other revenues.

## 5.4 Secondary Market

The Company has no securities listed on the stock exchanges of other countries.

## 5.5 Financial Institutions with Regular Contacts (Regards to issuance of debenture)

**Siam Commercial Bank PCL.**

Head office, 9 Ratchadapisek Rd.,  
Jatujak district, Bangkok  
Tel. (662) 722 2222

**Krungthai Bank Public Company Limited**

Head office, 10 Sukhumvit Road,  
Klong Toey district, Bangkok  
Tel. (662) 111-1111

## 6. Corporate Governance Policy

The Company strives to manage and operate its business in compliance with the relevant principle of good corporate governance, laws, regulations, and related rules. Moreover, the Company, as shareholders' representative, is well aware of its responsibility to strengthen confidence among investors, stakeholders as well as all parties concerned, which will bring about growth in terms of sustainability and quality.

The Company has established the Good Corporate Governance Policy Handbook in writing to ensure that the business operations of the Company are efficient, transparent and auditable which will create business growth and sustainability. Furthermore, the Corporate Governance Policy would reinforce the confidence across all parties concerned. The Company has also set out the Business Code of Conduct as a practical guideline for all directors, executives and employees.

The Company is constantly organizing meetings, such as the meeting of the Corporate Governance Committee and the Board of Directors' meeting, in order to revise and approve Corporate Governance Policy.

In 2023, the Company has reviewed and revised the Corporate Governance Policy in accordance with the standard and the principle of good corporate governance proposed at the Board of Directors' Meeting No.3/2023 on 14<sup>th</sup> March 2023, including providing communication and monitoring the policy accordingly.

### 6.1 Overview of Corporate Governance Policy and Practice

#### 6.1.1 Policy and Practice Related to Committee

The Business Code of Conduct and the Corporate Governance Policy of the Company have been reviewed and updated annually in order to be up to date, appropriate for current circumstance and the change of environment. Thus, the code and policy will be in compliance with the national and international best practical guideline, such as the requirement of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), Thai Institute of Directors (IOD), and the corporate governance principles of the Organization for Economic Co-operation and Development (OECD) which consists of 5 sections as follows; 1.Rights of shareholders, 2.Equitable treatment to shareholders, 3.Roles of stakeholders, 4. Information disclosure and transparency and 5.Responsibilities of the Board

All directors, executives and employees of the Company have been informed about the Corporate Governance Policy and the Business Code of Conduct and are required to make efforts to study, understand and take it as part of discipline to correctly and strictly adhere to. In this regard, the Company has disseminated and communicated the Corporate Governance Policy Handbook and the Business Code of Conduct to every person in the Company via email and the Company's Intranet system (Lotus Note) and includes them in the orientation program of new staff to cultivate their awareness at the beginning.

In addition, the Company has publicized the “Corporate Governance Policy Handbook” and the “Business Code of Conduct Manual” on the Company’s website ([www.nawarat.co.th](http://www.nawarat.co.th)) to inform shareholders, stakeholders, related parties and the outsider.

In 2023, there is neither resignation of the directors nor executives according to the corporate governance issue. Moreover, the Company had no violation in accordance with the regulations of the Stock Exchange of Thailand (SET) and/ or relevant authorities.

## 6.1.2 Policy and Practice Related to Shareholders and Stakeholders

The Board of Directors understands its duties, roles and responsibilities towards shareholders including stakeholders and related parties and is committed to operate business under the good corporate governance principle in conformity with best practices or regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission including other related regulations.

The Company’s Corporate Governance Policy is in compliance with the requirements of the Stock Exchange of Thailand and the Thailand Institute of Directors (IOD) and the good corporate governance principles of the Organization for Economic Cooperation and Development (OECD) consists of five sections as follows:

### Section 1 – Rights of Shareholders

The Company recognizes and emphasizes the rights of shareholders by implementing the related principles and not performing any actions which may violate or diminish their rights. The Company equally provides basic rights to individual shareholders. In 2023, the Company executed the actions as follows:

- The Annual General Meeting of shareholders (AGM) has been noticed to all shareholders fourteen days in advance in order to provide the shareholders time to prepare their schedule for the meeting attendance.
- The Company delivered the invitation letter of the Annual General Meeting of Shareholders to all shareholders seven days in advance and enclosed all related documents such as a copy of the minute of the Annual General Meetings of Shareholders of the year 2023, 56-1 One Report, profiles of proposed directors who will be elected in replacement of those retired by rotation, profiles of independent directors who were assigned to be proxy of shareholders who are unable to attend the meeting, proxy form A-C, the Company’s regulations concerning the shareholders’ meeting, guidelines for registration, and a map of the meeting venue. The Company also posted the abovementioned documents on the Company’s website to facilitate shareholders who may receive the documents by delayed mail.
- The Company organized the Annual General Meeting of Shareholders for the year 2023 on Thursday, April 27, 2023 through Electronic Media (E-AGM) and arranged a live broadcast at 10 a.m. from the meeting room of the Company’s headquarter, Bangna Towers A, No 2/3, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540. The shareholders personally attended or were represented by their proxies are 28 persons who represent 317,247,937 shares, out of the total paid-up 2,585,481,515 shares, which are equal to 12.27 percent of all paid-up shares forming a quorum under clause no. 33 of the Articles of Association. The clause specified that this Annual General Meeting is re-arranged meeting since the AGM on April 7, 2023 could not be proceed because the shareholders at the meeting did not constitute the quorum in accordance with clause no. 103 of the Public Limited Companies Act.
- On the date of the Annual General Meeting of Shareholders, 7 directors out of 9 directors of the Company attended the meeting (equal to 78 percent) namely as follows:

Directors	Positions
1. Mr. Apichart Dharmasaroja	Independent Director / Chairman of Audit Committee / Member of Corporate Governance Committee / Member of Business Code of Conduct Committee / Chairman of Risk Management Committee / Chairman of Nomination and Remuneration Committee / Chairman of Corporate Social and Environmental Responsibility Committee
2. Mr. Nattaphorn Bhromsuthi	Independent Director / Member of Audit Committee / Member of Corporate Governance Committee / Member of Risk Management Committee / Member of Nomination and Remuneration Committee / Member of Corporate Social and Environmental Responsibility Committee
3. Mr. Polpat Karnasuta	Director / Member of Corporate Governance Committee / Member of Nomination and Remuneration Committee / Vice Chairman of Executive Committee / Chief Executive Officer
4. Miss Pakatip Lopandhsri	Director / Member of Corporate Governance Committee / Member of Risk Management Committee / Member of Nomination and Remuneration Committee / Member of Executive Committee / Senior Vice President/ Company Secretary
5. Mr. Sook Sueyanyongsiri	Director / Member of Corporate Governance Committee / Member of Business Code of Conduct Committee / Member of Risk Management Committee / Member of Corporate Social and Environmental Responsibility Committee / Consultant to Chief Executive Officer
6. Mr. Mongkol Peerasantikul	Director / Member of Corporate Governance Committee / Member of Business Code of Conduct Committee / Member of Risk Management Committee / Member of Executive Committee / President
7. Mr. Pasan Swasdiburi	Director / Member of Corporate Governance Committee / Member of Business Code of Conduct Committee / Member of Executive / Member of Corporate Social and Environmental Responsibility Committee

Moreover, senior vice presidents and vice presidents in amount of 4 persons participated in the meeting to report the operating results of the Company to shareholders as well as to answer inquiries and receive suggestions/comments on various subjects raised by the shareholders. The Company requested independent legal advisors from Angkoon Pimpakorn Law Office Co., Ltd. to ensure that the meeting was transparent and in compliance with the law and the Articles of Association. The Company also invited an external auditor from EY Company Limited to attend the meeting since the beginning of the meeting to listen to the opinions and answer questions raised by shareholders.

## Section 2 – Equitable Treatment to Shareholders

The Company adheres to the principle of equitable treatment to all shareholders without discrimination, whether major or minor ones, institutional or foreign investors. The Company treats all shareholders equally, emphasizes the protection of their basic rights, and encourages them to exercise their rights as defined by law. Shareholders shall equally obtain the completed information. Any shareholder who is unable to attend the meeting in person because of any inconvenience may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. The best practices implemented by the Company related to equitable treatment of shareholders are as follows:

- The Company facilitates foreign shareholders by preparing documents, such as meeting invitation letter, proxy forms, minute of the shareholders' meeting and the Company's annual report in both Thai and English languages. The Company website ([www.nawarat.co.th](http://www.nawarat.co.th)) is also available in bilingual as well to serve all shareholders and any interested person.
- The Company indicated the guideline and criteria for proposing the agenda items, directors nomination, and submitting questions ahead of the AGM in order to enable minor shareholders to be part of company governance and be able to select a qualified director who will effectively perform their obligations. The Company announced a clear guideline and steps through the Company's website ([www.nawarat.co.th](http://www.nawarat.co.th)). However, for the AGM 2023, none shareholder had proposed any agenda or nominated any person as directors nomination.
- The Company facilitated those shareholders who are unable to participate in the meeting by allowing them to give a proxy to their representatives or the independent directors. The Company sent out proxy forms and guideline for proxy appointment together with the meeting invitation letter to the shareholders at least seven days prior to the meeting and disseminates proxy form both in Thai and English languages with details and procedures through the Company's website ([www.nawarat.co.th](http://www.nawarat.co.th)) more than fourteen days ahead of the meeting date.

In addition, the Company has established the following policy on the protection of use of internal information. And having a measure to ensure that such policy is informed and strictly complied:

1. Directors, executives and employees must not use an internal information of the Company or of business partners, obtained due to their duties, to buy/sell or offer to buy/sell or persuade others to buy/sell or offer to buy/sell the securities of the Company or of the business partners either for personal or others' benefits and they must strictly comply with the relevant laws.
2. Directors, executives, and employees must keep confidentiality of the internal information in which they are responsible, and not to disclose the information to other persons or unrelated personnel of the Company.
3. The Company prevents the misuse of internal information by restricting access to undisclosed information, allowing only the involved persons to access and provide only necessary information, and providing a security system for internal information which the owner of the information must instruct the involved personnel to strictly comply with the confidential obligation thereof.
4. Disclosure of information shall be made by the Company's authorized person only. Personnel having no duty to disclose information when being asked to disclose the information which they have no authority to disclose, shall suggest the inquired person to contact the authorized person in order to get accurate information.
5. Apart from information disclosed to the public, the Company considers that remaining information considered as confidential information for internal used only. Directors, executives, and employees must use the information under the framework of assigned duties and responsibilities.
6. Directors, executives, and employees shall protect information and shall not seek benefit from internal information, even though the status as employees has been terminated.
7. Directors and senior executives are required to disclose the reports to the Securities and Exchange Commission on their holding of securities as well as reporting on every change in such holding under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 (three) business days after the date of purchase, sale, transfer or acceptance of transfer.
8. Any person who disclosed information without permission, incurred damages to the Company, customers, and stakeholders shall be legally liable for such damages
9. The Directors are required to report to the Company's Secretary on any direct and indirect sell or purchase of the Company's securities at least 1 day prior to the selling or purchasing date.

In 2023, the Company did not receive any complaints, fines, accusations, or civil actions by corporate governance organization or relevant authorities due to inequitable treatment of shareholders in the area of repurchasing shares and/or limitation for shareholders to communicate with each other.

In addition, the Company did not receive any non-compliance complaints on the misuse of the Company's internal information for securities trading by the Directors or executives.

### Section 3 – Roles of Stakeholders

The Company recognizes the importance of being responsible to all stakeholders. All groups of stakeholders are important to the Company's constant business operation and play important role in promoting the Company's business growth and sustainability. The Company commits to do its business in compliance with the "Corporate Governance Policy" and the "Business Code of Conduct Manual" as detailed below

Stakeholders	Principle	Guidelines
Shareholders	The Company encourages shareholders to exercise their basic rights and is committed to create sustainable growth, adds value and continuously provide appropriate returns to shareholders, respect shareholders' rights to equally receive necessary information and to be disclosed with an accurate information, including conduct its business with honesty, transparency and in compliance with the relevant rules, regulations and laws.	<ol style="list-style-type: none"> <li>1. Perform its duties with honesty, good faith, and transparency for the benefits of the Company and shareholders. Manage the business to ensure prosperity and stability of the Company and provide appropriate returns to shareholders.</li> <li>2. Perform its duties to the maximum potential and capabilities for the benefits of the Company and the shareholders.</li> <li>3. Respect the rights of shareholders; to disclose and report operating results, financial position, and supportive information of the Company accurately and completely.</li> <li>4. Equitably and equally treat every shareholder.</li> </ol>
Customers	The Company is committed to ensure the satisfaction and confidence of customers and public with qualified products and services under safety to their health, life, and properties with appropriate and fair price, continuously develop and upgrade standard of its product and services, treat all customers with fairness, provide complete and accurate information about services and make a customers' satisfaction survey which reflect an actual satisfaction level in order to constantly improve the services and maintain and continue its good relationship with customers.	<ol style="list-style-type: none"> <li>1. Treat all customers politely.</li> <li>2. Strictly keep customers' information confidential.</li> <li>3. Be trustworthy to customers.</li> <li>4. Refrain from acceptance of assets or other benefits which having an excessive value from customers. If Directors, executives or employees receive such assets or benefits and later known that such assets having an excessive value, then the Directors, executives or employees must report to its supervisor without delay in order to proceed as appropriate on a case-by-case basis.</li> <li>5. Avoid situation that may leads to conflict of interests with customers.</li> </ol>
Business Partners	The Company treats all business partners with equality and integrity, recognizes mutual benefits, develops, and maintain long relationship with business partners, builds mutual trust and creates economic, social and environmental cooperation.	<ol style="list-style-type: none"> <li>1. Maintain mutual benefits with business partners by strictly adhere to the laws, agreements and conditions based on a mutual and fair return.</li> <li>2. Refrain from demanding, receiving or offering any illicit benefits from/to business partners.</li> <li>3. Operate procurement processes transparently.</li> </ol>
Trade Competitors	The Company manages its business under a fair competition framework, does not seek confidential information about its competitors' trade secrets through dishonest and improper means and does not violate any intellectual properties of the business competitors or others.	<ol style="list-style-type: none"> <li>1. Compete under a fair competition framework.</li> <li>2. Do not seek business competitors' secrets through dishonest or illegal means.</li> <li>3. Do not discredit competitors by way of defamation or other improper and unfair manner.</li> </ol>

Stakeholders	Principle	Guidelines
Creditors	Strictly honors all contractual conditions and obligations with the creditors, manage loan according to its objective, do not use loan in the way that will create damages to the Company and completely comply with conditions as mutually agreed. Including operating its business with fairness in order to create creditors' confidence and maintain repayment capability.	<ol style="list-style-type: none"> <li>1. Repay the loan and its interests on time.</li> <li>2. Promptly negotiate with the creditors in advance, if any term and condition or agreement made with creditors could not be fulfilled, in order to mutually solve the issue.</li> </ol>
Independent auditors	The Company recognizes the importance of an independent auditor, who is considered by shareholders as an important mechanism for auditing the executives' performance and ensuring that the financial report is accurate and adequate, by giving full cooperation to the auditor.	Provide accurate and complete information as well as facilitate the auditors when conducting the audit of the Company's financial report.
Employees	The Company realizes that employees are valuable assets, having good, capable, diligent, and honest employees will efficient the Company's operation, contribute success, and sustainable growth to the Company	<ol style="list-style-type: none"> <li>1. Develop organization into a learning organization. Foster working culture, ambience and enhance teamwork.</li> <li>2. Pay proper remunerations which reflect knowledge, ability, responsibility, and performance of the employees.</li> <li>3. Monitor working environment to be safe for health, life, and properties of employees.</li> <li>4. Enhance employees' competency to advance and secure their careers by focusing on their knowledge and ability development.</li> <li>5. Inform key information, e.g. rights and duties to employees on orientation day.</li> <li>6. Ensure that the provision of rewarding and punishment is determined on righteousness and fairness basis.</li> <li>7. Comply with all laws and regulations in relation to labors and welfare of employees.</li> <li>8. Listen to opinions and suggestions of employees at all levels fairly and equally.</li> <li>9. Treat all employees base on the basic of human dignity, respect the human rights, fair treatment and do not crate discrimination.</li> <li>10. Provide the employees an opportunity to define guideline of welfare management to meet the employees' requirement, provide appropriate welfare, hygienic working area, working conditions, and well-being of the employees.</li> </ol>

Stakeholders	Principle	Guidelines
		11. Provide protective equipment to protect employees from any threaten at work and provide first aid kit.
Government Sector	Set a practical guideline for dealing with the government in order to comply with laws and regulations	<ol style="list-style-type: none"> <li>1. Comply with rules and regulations relevant to the operation and comply with the practical guideline for dealing with the government in order to comply with laws and regulations.</li> <li>2. Provide cooperation and support to the</li> <li>3. government policies for the benefits of the country under relevant laws and regulations.</li> <li>4. Intent to pursue projects for public beneficial. Co-operate with government agencies with transparency, honesty, fairly hospitality, and refrain from bribery the government agencies to facilities the business operation.</li> </ol>
Communities, Society, and Environment	The Company aims to conduct its business based on responsibility to communities, society, and environment, in terms of safety, quality of life, preservation of natural resources, recognition the importance of community, society quality of life and the surrounding area of construction sites and plants.	<ol style="list-style-type: none"> <li>1. Provide support to community and societies in any beneficial aspects.</li> <li>2. Allocate a proportion of profits to contribute for community and social development.</li> <li>3. Take into account on environmental impacts from the beginning stage of project construction, selection of technology, including production procedures, waste elimination procedures as well as innovative research and development for efficient usage of energy.</li> <li>4. Support any activities that are beneficial to communities and society as a whole.</li> <li>5. Respond rapidly and efficiently to any incidents that may cause harms to communities, society and environment resulted from the Company's business operation and provide good cooperation to officers and related government authorities.</li> <li>6. Do not provide cooperation or support to any person or entity who does illegal business or business that is detrimental to the society and national security.</li> <li>7. Do not do anything that may destroy the reputation of the country.</li> <li>8. Continuously cultivate employees a sense of responsibility towards community and social.</li> </ol>

## Occupational Health and Safety Management

Since the construction business is considered having high risks, the Company realizes the importance of occupational health and safety. Thus, the Company defined the policy and practical guideline for occupational health and safety management as follows:

1. Continuously operate and develop an occupational health and safety management system in accordance with TIS 18001 & OHSAS 18001 standards and compliance with other legal requirements and other standard specifications.
2. Control and improve working sites and prevent employees and related parties from health hazard associated with fire, chemicals, electrical, machinery, emergency incidents, occupational diseases, and other dangers within acceptable risk level.
3. Provide sufficient resources such as personnel, operation time, budget and suitably and adequately training.
4. Encourage all employees to join activities and express their opinions on occupational health and safety.
5. Review the effectiveness of occupational health and safety management standard procedure at least once a year.
6. Risk factors for any occupational diseases must be zero.

## Environmental Management

Since the construction business highly affects the environment, the Company recognizes the importance of the environmental responsibilities in conducting the business and defined the environmental policy which covers three principles as follows:

1. Pollution prevention
2. Regulations and law adherence
3. Constant improvement

The Company reviewed and improved the environmental policy to be in line with the Environmental Management System ISO 14001:2015 and to cover the social and environmental responsibility issues, the Company developed an environmental management system to minimize the impact on the environment to be within an acceptable level as details below:

1. Promote and comply with the related laws in relation to the environment and strictly follow the regulations on the environmental management system ISO 14001.
2. Commit to promote energy preservation and efficiently use of resources.
3. Prevent and control the disposal of trash, wastewater and air pollution caused by the Company's business activities.
4. Ensure that the preventive and controlling measures are continuously be implemented and reviewed.
5. Educate and cultivate social and environmental awareness to the employees at all levels, contractors and persons involved in order to create mutual agreement to develop and responsible for society and environment.
6. Constantly support activities to fulfil the environmental policy framework and communicate with employees and relevant persons as well as disseminate to the public.

Therefore, the Company has established sustainability policy to determine sustainable framework in relation to economy, society, and environment. The Company has communicated the policy towards employees through email and the Company's website.

## Section 4 – Information Disclosure and Transparency

Disclosure of information is an important indicator of transparency of the operation and is a key factor in building confidence towards investors and all stakeholders. The Company recognizes the importance of information disclosure and has a policy to equitably, completely, adequately, reliably, timely and transparently disclose the Company's important financial and non-financial information, in both Thai and English languages, to all related parties and in compliance with the requirements regulated by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand on the websites of Stock Exchange of Thailand and the Company's website. In 2023, the Company carried out the below practices;

1. The Board of Directors established the policy that the Company shall disclose both financial and non-financial information such as financial statements, operation results, the Company's information, nature of business, organization structure, shareholding structure, business group structure and shareholding proportion, information relating to directors, sub-committees, executives, investors' relation information, related transactions, the Company's Articles of Association, the Business Code of Conduct and the Corporate Governance Policy with accuracy and completeness through three main channels below:
  - 1) Annual Registration Statement and (One Report) by providing detailed information on important topics including business overview, nature of business, risk factors, securities shareholders' information, management structure, corporate governance, social responsibility, internal control and risk management, related transactions, operation results, future projects and financial status.
  - 2) The quarterly and annually Management Discussion and Analysis (MD&A), which provides detail regarding operation, financial, analysis and explanations of factors causing changes in performance results, progress report of projects under construction, key factors or influences that may affect future results and financial status. This report provides shareholders and investors with enough accurate information for their decision making on investment and monitoring the Company's performance.
  - 3) Disclosure of information via the [www.nawarat.co.th](http://www.nawarat.co.th) under "Investor Relations" in both Thai and English languages to facilitate investors and the interested person to study the information. The website has been regularly updated. Disclosed information includes One Report, Corporate Governance Policy, Business Code of Conduct, anti-corruption policy, company's profile, nature of business, financial statements, shareholding structure, dividend payment policy, organizational structure, business structure, profile of directors, sub-committees and executives, investors' relations information, the Company's important documents, meeting invitation, operation results and financial ratios, etc.
2. The Company set up an Investor Relation Section under the New Business and Strategic Planning Department to serve as a center for disclosing and communicating the information, whether financial or non-financial, to shareholders, investors, and securities analysts, through various channels and media of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including mass media, telephone, and the Company's website [www.nawarat.co.th](http://www.nawarat.co.th), in both Thai and English versions. The Company expected the Investor Relation Section to be a significant intermediary that provide information, clarification, answering question, as well as listening and exchanging opinions with shareholders. In the case investors, securities analysts and those who are interested would like to receive the Company's information to consider before investing, please contact through the below channel.

Mr. Weerayut Bunyawad  
Investor Relations Section  
Nawarat Patanakarn Public Company Limited  
18<sup>th</sup>–19<sup>th</sup> Floor, Bangna Tower A, 2/3 Moo 14  
Bangna – Trad Road, K.M. 6.5, Bangkaew, Bangplee, Samutprakarn 10540  
Tel.: +66 (0) 2730 - 2166  
Fax: +66 (0) 2751 - 9484  
E-mail: ir@nawarat.co.th

In 2023, the Company has arranged the following investor relations activities:

- Two Analyst Meetings
- Two Opportunity Days

3. The Company has joined the Stock Exchange of Thailand (SET) in organizing quarterly “Opportunity Day” activity so that the senior executives may present the Company’s quarterly reports on performance results and explain business progress such as expansion projects, new projects, business trends and how to deal with positive and negative impacts caused by internal and external factors. Which is a good opportunity for executives to meet and answer the questions enquired by analysts, investors, shareholders, and mass media in person. In addition, SET provides a live broadcast via SET’s website and set up computer monitor in front of the Company’s executives so that the viewers can post their questions and get real time responses from the executives during the Q&A session.
4. The Company disclosed its financial information and reported the responsibility of the Board towards the financial report together with the auditor’s report, the explanation of financial status, the Management Discussion and Analysis (MD&A) and report on important information and major decisions to the Securities and Exchange Commission and the Stock Exchange of Thailand with accuracy, completeness, punctuality and in compliance with the requirements.
5. The Company’s financial statements have been certified by the auditors without the qualified opinion and without any amendment which complied with an external governing requirement.
6. The Company disclosed roles and responsibilities of the Board and the sub-committees, number of meetings and number of attendances of each Director in 2023.
7. The Company has stipulated measures and procedures for related transaction approval. Any Director, executive or related person will be able to conduct business with the Company or its subsidiaries after such transaction has been approved by the Shareholders’ meeting. Whereas such transaction is considered as a trade agreement without any influence, in which a reasonable person would properly make with a general business partner under the same circumstance, while the negotiation absented of any influence due to their status of being a director, an executive or related person, as the case may be. And such transaction must be approved by the Board of Directors or is in compliance with the guideline approved by the Board.
8. The Company has established measures on the protection and the verification of the use of internal information for personal benefits, by requiring Directors and senior executives to submit the list of their holding securities and report on every change of the list in compliance with requirements stipulated by the Securities and Exchange Commission. Including, issuance a policy that Directors and executives must report the sale/purchase of the Company’s shares or securities to the Meeting of the Board of Directors every time when there is any change.

In addition, the Company prohibits Directors, executives and employees involved with any internal information from disclosing such information to the outsider or those who are not involved. And forbids Directors, executives

and employees involved with the preparation of the Company's financial statement or any other related information are forbidden to purchase or sell the Company's securities prior to disclosure of financial statements to the public.

9. The Company established a policy on reporting interests of Directors and senior executives and set requirements that the Directors and executives must report the Company their own or their related persons which related to the business management of the Company or its subsidiaries, pursuant to the requirements stipulated and announced by the Capital Market Commission. The Company discloses information about the Directors and executives' interests in and the annual registration statement (One Report ).

## Section 5 – Responsibilities of the Board

The Board of Directors realizes their responsibilities and roles in determining the direction of the Company's business operation to be in accordance with laws, objectives, the Articles of Association, and shareholders' resolutions. Including, regulating the policies, vision, mission, and strategic plans every five years and reviewing them annually to make them suitable for the changes in business environment; as well as monitoring the management to efficiently and effectively conduct the business in accordance with the established policies under the good corporate governance principle for the utmost benefits of the Company, adding the economic value and the highest wealth to shareholders (More details can be found in topic No. 7.2.3 Responsibilities of Committee, Section 7 Corporate Governance)

## 6.2 Business Code of Conduct

The Company expects Directors and executives to show their intention to operate business with transparency, morality, honesty, including perform duties in accordance with the standards of Business Code of Conduct and take shareholder benefits into an account. The Company also encourages employees to perform their duties with responsibility, honesty, transparency, morality as well as behave appropriately, and keep developing skill and knowledge.

Therefore, the Company has established a working team to monitor and promote Business Code of Conduct. To encourage related personnel to strictly comply and create awareness at the same time, the working team has created "White Journal" which was communicate directly to related parties through the Company's email.

## 6.3 Significant Changes and Developments in Policy, Practice, and System of Corporate Governance in the Past Year

### 6.3.1 Significant Changes and Developments in Policy, Practice, and System of Corporate Governance in the Past Year, Including Overview of Corporate Governance Policy and Practice

1. In 2023, the Company quality of the Annual General Meeting of Shareholders was evaluated by Thai Investors Association and received 91.5 votes out of 100 from the evaluation or "Very Good" level,
2. In 2023, the Company's corporate governance was evaluated and earned "Excellence" level or 5 stars by Thai Institute of Directors.

### 6.3.2 Compliance with the Principles of Good Corporate Governance in Other Areas.

The Company has reviewed and revised business operation in accordance with the Stock Exchange of Thailand Principles of Good Corporate Governance 2012 by proposed on the Board of Directors' Meeting No.12/2020 on November 10, 2020, including adopted GC Code 2017 of Securities and Exchange Commission (SEC) in order to grow the Company's business sustainably. The adoptions are described as follows.

### Head of compliance unit

The Company has assigned Head of Compliance Unit to coach and monitor Directors, executives, and employee to comply with the laws, regulations, policies, announcements and related restrictions in the previous year. Please refer to Compliance topic for more information.

### Sustainability policy

The Company has established Sustainability Policy to determine sustainable framework in relation to economy, society and environment, which could drive the Company to grow further in a stable and sustainable way. Please refer to Sustainability development topic for more information.

### Report on securities holding by Directors and executives

The Company required Directors and executives to prepare and disclose securities holding report of themselves, their spouse and underage children, as well as reporting on every change in securities holding such as purchasing, selling and transferring. The Directors and executives shall report the mentioned activities to the Company, thus the Company shall properly disclose to the Stock Exchange of Thailand in accordance with the intention of Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and the Notification of the Office of Securities and Exchange Commission ("SEC"), SorJor 12/2552, concerning the preparation and disclosure of the report on securities holdings by Directors, executives, and auditors.

The list of direct and indirect securities held by Directors and executives as of December 28, 2023.

Directors/ executives	Balance as of January 1, 2023	Change		Balance as of December 28, 2023
		Gain	Trade	
Mr. Prasertphand Pipatanakul	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Apichart Dharmasaroja	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Tajtai Tamangraksat	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Sarunthorn Chutima	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Polpat Karnasuta	264,910,285	-	-	264,910,285
Spouse and underage children	-	-	-	-
Miss Pakatip Lopandhsri	109,177	-	-	109,177
Spouse and underage children	-	-	-	-
Mr. Sook Sueyanyongsiri	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Mongkol Peerasantikul	-	-	-	-
Spouse and underage children	-	-	-	-

Directors/ executives	Balance as of January 1, 2023	Change		Balance as of December 28, 2023
		Gain	Trade	
Mr. Apathorn Kamasuta	9,953,573	-	-	9,953,573
Spouse and underage children	-	-	-	-
Mr. Nicolino Pasquini	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Nivate Lenghong	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Somchai Woonpresert	-	-	-	-
Spouse and underage children	-	-	-	-

6.3.3 The Company has not yet complied with the principles of good corporate governance in the following matters

**The Board of Directors shall consist of more than 50 percent of Independent Directors and at least having 1 female Independent Director, including the matter of tenure**

The Company has defined diverse Board's structure, covering gender, age, educational level, knowledge, competency, professional skills, working experiences and specialization. The Directors who hold the position at the moment having knowledge, expertise and hold engineering and construction experiences which is beneficial to the Company's operation. The Board consists of 3 Independent Directors out of 9 Directors or equivalent to 33 percent.

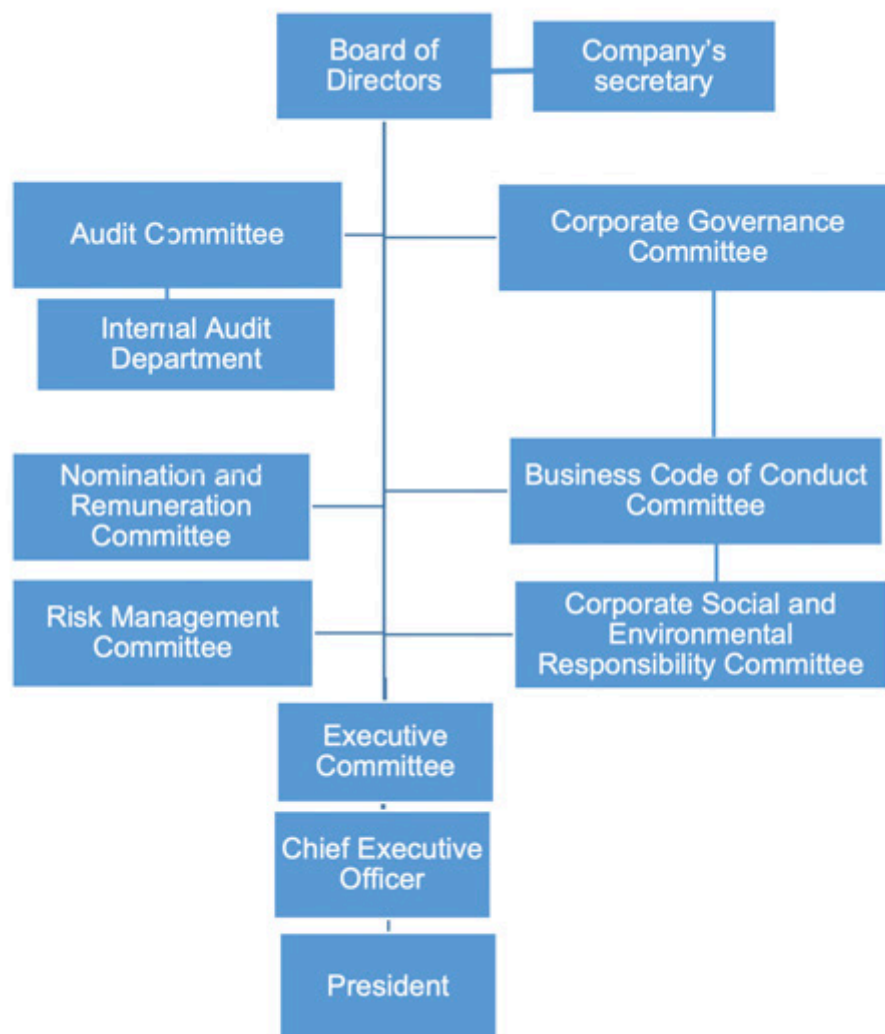
Moreover, the Nomination and Remuneration Committee is responsible for considering Board's structure that is suitable for the organization regardless of gender, race, religion, age, professional skills and other qualifications, including the change in environmental context.

The tenure of Independent Directors shall not exceed 9 consecutive years. As the Board of Directors considered that continuing to hold the position of Independent Directors would utmost support the Company's operations since they have working experience, specialization and they could freely comment on management performance.

## 7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committees, Executives, Employees and Others

### 7.1 Corporate Governance Structure

The Company is committed to operate the business in compliance with the good corporate governance principles, announced by the Stock Exchange of Thailand and Securities and Exchange Commission, at all levels according to the organization's management structure, which consists of the Board of Directors, Audit Committee, Corporate Governance Committee, Business Code of Conduct Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social and Environmental Responsibility Committee, and Executive Committee.



### 7.2 Board Structure and Composition

The Company's Board of Directors consists of qualified persons with knowledge, abilities, skills, and experiences which useful to the Company. As at December 31, 2023 the existing Board of Directors consists of 9 directors comprised of 4 executive directors which are equal to 44 percent, and three independent directors which are equal to 33 percent. The Chairman of the Board is an independent director according to the definition regulated by the Stock Exchange of Thailand, who has no relationship with the executives, and is a different person from the President in order to completely separate their responsibilities as well as a balance the operating power.

Names and positions of the members of the Board of Directors are as follows:

Name	Position
1. Mr. Prasertphand Pipatanakul	Independent Director (Chairman)
2. Mr. Apichart Dharmasaroja	Independent Director
3. Mr. Tajtai Tmangraksat*	Independent Director
4. Mr. Mongkol Peerasantikul	Director
5. Mr. Polpat Karnasuta	Director
6. Mr. Sook Sueyanyongsiri	Director
7. Miss Pakatip Lopandhsri	Director
8. Mr. Apathorn Karnasuta	Director
9. Mr. Sarunthorn Chutima**	Director

Note: \* The resolution of the Board of Directors' meeting No. 7/2023 unanimously approved the appointment of Mr. Thatthai Thamangraksat. Being a director of the company and member of the audit committee To replace the original director who resigned The appointment is effective from July 18, 2023 onwards and has a term of office equal to the remaining term of Mr. Natthaporn Bhromsuthi. In 2023, Mr. Natthaporn Bhromsuthi attended the Board of Directors' meeting. Total 6/6, equivalent to 100 percent.

\*\* The resolution of the Board of Directors' meeting No. 11/2023 unanimously approved the appointment of Mr. Sarunthorn Chutima as a director of the Company, with the appointment effective from November 14, 2023 onwards and has a term of office equal to the remaining term of Mr. Pasan Swasdiburi. In 2023, Mr. Pasan Swasdiburi has attended all board meetings 9/10, accounting for 92 percent.

The Company set a policy on the diversification of the Board's structure whereas the Board shall have a range of diversified structure which comprise of gender, age, educational level, knowledge, professional skill, work experience, and expertise. The Company believes that the diversification of the Board's structure is a crucial factor in creating a balance of ideas, work quality and efficient decision making by the Board, which will be useful to the Company's business operation. This practice is also adopted and applied by the Company's subsidiaries and associated companies.

For utmost benefit of the Company to gain the effective dedication of the Directors' time, the Board of Directors established the policy to take a position of Director in other companies as follows:

1. Director can take a position in Nawarat Patanakarn Public Company Limited and its subsidiaries and associated companies.
2. To be a director in other companies, of which the business is similar to or competitive with the business of the Company, a request must be submitted for obtaining an opinion from the Audit Committee prior to proposal for approval by the Board of Directors and the shareholders respectively, before being appointed to such position.
3. The Company defined the policy in the Charter of the Board of Directors that the Company's director shall not hold the director position other than specified in clause 1 which when combined must not exceed 5 places in the other listed companies. The holding of the position of director in any listed company must be informed to and approved by the Board of Directors' Meeting before being appointed to such position.

In 2023, Directors have strictly complied with the policy to take the position of director in other listed companies. Each Director held a position in listed companies not exceeding 5 places.

## Independence of Director

The Company's Directors have a duty to consider, provide opinions, make decisions, and cast a vote to protect the interests of shareholders. Hence, independence of director is definitely recognized. The Company allows the Independent Directors to access financial and business information adequately in order to freely provide recommendations. The Directors required to maintain the interests of related persons, to attend the meeting regularly and to have a meeting among each other at least twice a year.

The Company defined the qualifications of the Independent Directors in accordance with the requirements prescribed by the Capital Market Supervisory, the Securities and Exchange Commission and the Stock Exchange of Thailand. Including the additional qualifications as defined by the Company, so that the independent directors could protect the interests of all shareholders equally, prevent conflict of interest and freely express their opinions in the meeting.

## Roles, duties and responsibilities of the Chairman

- 1) Call for the meeting of the Board of Directors, being a chairman of the meeting and schedule the meeting agenda with the President.
- 2) Control the meeting to be effective, in compliance with the Articles of Associations, and support the Directors to independently express their opinion.
- 3) Be a chairman in the Shareholders' Meeting.
- 4) Support and encourage the Board of Directors to perform their duties in a full capacity under the scope, responsibility, and the good corporate governance principles.
- 5) Supervise the management of the Board of Directors, the Management Committee, and sub-committees to achieve the objectives.
- 6) Have a casting vote in case the meeting of the Board of Directors encounter an equal vote in both sides.

## Roles, duties and responsibilities of Directors

The Board of Directors shall perform their duties by concerning integrity, transparency, fairness, and duty of care.

The Board's duties and responsibilities are separated into two parts as follows:

### 1) Define directions, policies, and business strategies

- Control and supervise business operation of the Company to strictly adhere to applicable laws, objectives, rules, articles of association, and resolutions of the meeting of shareholders, maintain the interests of the Company and its shareholders in accordance with the good corporate governance principles.
- Define vision, mission, direction, and strategies of the Company; review such vision and mission regularly at least every five years to ensure that vision and mission are in line with the change of business.
- Supervise the Company's business conduct in compliance with the rules and regulations of the related agencies; disclose information adequately, correctly, completely, transparently and with proper standard to shareholders and all related parties.
- Approve key strategies, policies, financial goals, and business plan and monitor compliance with the defined work plans.
- Consider and approve annual budgets for investment and operation as well as the utilization of the Company's resources.
- Ensure that the Company has a suitable compensation system or mechanism for senior executives to induce short term and long term motivation.

- Arrange an Annual General Meeting of Shareholders within 4 (four) months from the last day of the fiscal year of the Company and arrange an Extraordinary Meeting of Shareholders, if necessary.
- Hold the Board of Directors' monthly meeting.
- Provide consultation, discuss problems in a thorough and extensive manner and discreetly make a decision on the matters according to the meeting agenda.
- Authorize the Chief Executive Officer (CEO) to operate the Company's business as well as employees to coherence with the business situation.

## 2) Monitor the operation of the management for balancing by the following ways:

- **Disclosure of the Company's information**
  - Set up efficient and effective accounting system, financial report, auditing, internal control, and internal audit system.
  - Ensure that the Company has proper systems to communicate with each group of shareholders and stakeholders.
  - Ensure that information disclosed is accurate, clear, transparent, reliable and in line with the high standard.
  - Prepare a balance sheet, cash flow statement and profit and loss statement at the last day of fiscal year of the Company and propose to the Meeting of Shareholders at the Annual General Meeting for consideration and approval. The Board of Directors shall arrange for the auditors to complete the auditing before proposing to the Meeting of Shareholders.
  - Arrange a report on important financial and general information in a correct, complete and sufficient manner to shareholders and confirm the verification of information reported.
  - Monitor, supervise, and solve problems arising from transactions which may lead to conflict of interest and related party transactions.
- **Internal control and risk management**
  - Establish proper risk management and ensure that the management has effective systems or procedures for risk management.
  - Ensure that the Company has proper internal control, internal audit, financial control system, operation, operating compliance, risk management, and risk management control.

## Nomination, Appointment, Dismissal, and Retirement of Directors

### Nomination and appointment

The Nomination and Remuneration Committee shall propose the nomination of director to the Board of Directors and the Board shall present it to the Shareholders' Meeting for appointment as per the criteria and methodology stipulated in the Articles of Association of the Company as detailed below:

#### 1. Nomination of Independent Directors

The Nomination and Remuneration Committee will nominate directors who are qualified in terms of skills and experiences which are useful to the Company and meet the qualifications of Independent Director according to the requirements stipulated by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, and other qualifications as stipulated by the Company.

**Qualifications of Independent Directors as follows:**

- Holding not more than 1 percent of the total paid-up shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- Neither being nor having been an executive, employee, wage earners, advisors who regularly receive a salary, or personal consultant of person who gets authorization to manage the Company, its subsidiary or associated company, unless the foregoing status ended for a period not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, e.g. being customers, business partners, creditor and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment.
- Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- Neither being nor have been an auditor of the Company, subsidiary, associated company, or other entity that might have conflict of interest. And not being a major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary, associated company, unless the foregoing relationship ended for a period not less than three years from the date of appointment.

## **2. Nomination of Directors**

### **Criteria**

The Nomination and Remuneration Committee will nominate and select persons to be appointed as directors to replace those Directors who vacate office, both resignation prior to the end of term and retirement by rotation by considering the proper proportion, number and composition of the Board. The Nomination and Remuneration has systematically determined the criteria of director's nomination as follows:

- Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, the Stock Exchange of Thailand, and the Company's regulations.
- Having knowledge, ability and experience in a variety of fields. The Company has defined 4 necessary skills for director nomination as follows:
  - 1) Engineering
  - 2) Accounting, financial, and banking
  - 3) Marketing strategy and competition
  - 4) Legal skill relating to business
- Having characteristics supporting and promoting the corporate governance to create value to the Company such as
  - 1) Having a leadership competency
  - 2) Having a broad vision
  - 3) Having ethics and morality
  - 4) Having transparent work experience without malfeasance
  - 5) Must not possess any prohibited characteristics pursuant to the law
  - 6) Having an ability to express opinions independently

## Nomination Procedures

The Board of Directors set out the procedures for directors' nomination. The Nomination and Remuneration Committee proceeds in accordance with the following procedures:

1. Nominate qualified candidates to fill the vacancy. The Nomination and Remuneration Committee may propose the Board to set up ad hoc committee comprise of the Board or third party to nominate person, or in some cases using director pool of Thai Institute of Directors (IOD) as a tool to seek for candidates to be nominated.
2. Consider qualifications of the candidates. The Company allows shareholders to nominate candidates in advance for electing as directors by the Annual General Meeting of the Shareholders.
3. Propose the nomination to the Board for consideration and appointment (in case of interim vacancy).
4. Propose the nomination to the Board for consideration and approval for submission to the Annual General Meeting of Shareholders for an appointment.

In addition, the Company has implemented Board Skill Matrix to guide the selection of suitable and qualify directors and executives that would be necessary for the Company's current and future operation.

Position/ qualification	Engineer	Financial and accounting	Business Administration and Marketing	Law and Diplomacy
Chairman / Independent Director	✓		✓	
Chairman of Audit Committee / Independence Director	✓	✓	✓	
Independence Director				✓
Director / Chief Executive Officer			✓	
Director / President	✓			
Director			✓	
Director	✓	✓		
Director	✓			
Director		✓	✓	

The Company has 4 directors who are not holding executive position. However, they have experience in construction business which is the Company's core business.

Pursuant to the Articles of Association, the criteria and procedure for appointment of directors by shareholders are as follows:

1. Each shareholder shall have one vote for each share held.
2. Each shareholder shall exercise all of his/her voting rights that he/she has under clause (1) to elect one or several persons as director (s), but he/she may not allot his/her votes.

## Dismissal and Retirement of Director

### Dismissal of Director

The Meeting of Shareholders may pass a resolution to dismiss any Director from his/her position prior to the expiration of the Director's term, by voting. The number of votes shall not be less than three out of four, considered from the number of shareholders who attended the meeting and having a voting right. In addition, the number of shares counted from the votes shall not be less than a half of the shares held by the attended shareholders who have the right to vote.

### Retirement of Director

#### 1. Term expired

Pursuant to the Articles of Association, in every Annual General Meeting of Shareholders, at least one-third of the Directors shall be vacated. If the number of Directors cannot be divided into a multiple of three, the number of Directors nearest to one-third (1/3) shall be retired. The directors to be retired in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the Director who has held office longest shall be retired.

#### 2. Resignation

The Charter of the Board determines that a Director who desires to resign from the position shall submit a resignation letter to the Company at least 30 (thirty) days in advance. The resignation shall be effective on the date that the Company received the resignation letter.

### Authorities of the Board of Directors

The Board of Directors must perform its duties in compliance with laws, objectives, the Articles of Association, and the resolutions of Shareholders' Meeting with integrity, prudence and in the best interests of shareholders in both short term and long term. As well as, adhering to the rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Commission. The authorities of the Board of Directors are as follows:

- The Board of Directors is empowered to appoint a Director as a Chairman and could appoint a Vice Chairman, as it deemed appropriate.
- The Board of Directors is empowered to appoint a Director as a Chief Executive Officer, and could appoint any person to be a Company's Secretary, as it deemed appropriate.
- The Board of Directors has a right to attend trainings or to participate in activities in order to increase their knowledge on concerning work by using the Company's resources.
- The Board of Directors has an authority to consider the endorsement of acquisition or distribution of assets except such transactions required a resolution from the Shareholders' Meeting. However, such endorsement would have complied with the announcements, regulations, and/or requirements related to the Office of Securities and Exchange Commission.
- The Board of Directors has an authority to consider endorsement of related transactions except such transactions required a resolution from the Shareholders' Meeting. However, such endorsement would have complied with the announcements, regulations, and/or requirements related to the Office of Securities and Exchange Commission.
- The Board of Directors has an authority to consider the endorsement for loans or any credit applications from financial institutions or the setting up of the new revolving credit line (O/D) as well as any investment or land procurement, within a budget of more than 200 Million Baht per transaction.

### Delegation of authorities by the Board of Directors

The Company defines that the two authorized Directors, by their joint signatories, may authorize other persons to perform the business on behalf of the Company within a certain period. However, the delegation of authority and responsibility of the Board of Directors will not be considered as delegation or sub-delegation which in any manner enables the Board or its attorneys to be able to approve any transactions for themselves or for any potential person having a conflict of interest against the Company and its subsidiaries.

### Succession Plan

The Board of Directors sets out the succession plan for the positions of CEO and President by assigning the Nomination and Remuneration Committee to prepare the succession plan and propose to the Board of Directors for consideration.

For senior executives, the Human Resource Department shall prepare the succession plan and propose to the Executive Committee, with CEO as Chairman, for consideration.

The designated person in the succession plan shall possess suitable qualifications as prescribed by the Company, as well as other qualities such as having business vision, knowledge, proficiency and experience, that well suit the Company's corporate culture.

To standardize and systematize succession plan, the Company has set up the Succession Planning Committee on April 3, 2023. The role of the Succession Planning Committee is to set up a working unit and define succession plan principles, policies, and guidelines for the working unit accordingly. Therefore, the working unit could conduct its activity per the Company strategy. The Committee also has to monitor the performance of the working unit consistently to ensure the given goal will be achieved.

### Orientation for New Director

The Company recognizes the importance of the duty of Directors and has therefore defined a practical guideline on preparation for Directors' performance. To enable new Directors to perceive the Company's expectations of their roles, duties and responsibilities, including the Company's policies, business and corporate governance practices. The guideline will enable them to understand about the Company's business and operation, as well as to visit the business units in order to be prepared to perform their duty promptly, the guideline has details as follows:

1. Coordinate in providing the Company's details to new Directors.
2. Provide "Directors Guidebook" to new Directors, the guidebook contains the Company's information and relevant crucial laws. The guidebook consists of Articles of Association of the Company, objectives of the Company, affidavit of the Company, Public Company Limited Act, Securities and Exchange Act, guidebook for Directors of a listed company, Charter of the Board of Directors and the sub-committees, Business Code of Conduct, Good Corporate Governance Policy Handbook and the other policies of the Company.
3. Arrange meetings with the CEO, Board of Directors, sub-committees and executives to make them informed of the Company's business operation. The presentation should present a whole picture and in details under the topics namely, the Company's history, vision, mission, strategies, management structure, operating data and business activities.

## Meeting of the Board of Directors

The Company holds the Board of Directors' Meeting once a month and may convene an extraordinary session, if necessary. The meeting will be prescheduled with an exact date, time and agenda details all year round. The meeting invitations specifying agenda details together with the supporting documents shall be sent to all Directors at least 7 days ahead of the meeting to allow them with enough time to prepare before the meeting, except in an urgent case to protect the Company's interest. The Company shall prepare and complete the minute of the Board of Directors' meeting within 14 days from the meeting date. All Directors can check the minute of the meeting anytime by making request to the Company's Secretary. The Company retains the minutes which certified by the Board of Directors along with relevant documents.

The Company defines criteria and quorum for the Meeting of the Board of Directors as follows:

- To form a quorum in the meeting, at least half of the Directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substitute chairman of the meeting. However, if the vice chairman has been appointed earlier, the vice chairman shall substitute the Chairman in that meeting.
- The resolution of the meeting will take into account the majority of votes, each Director has one vote, except Director with vested interest in any agenda must abstain from voting on that item. If the number of votes is equal, the Chairman will cast the decisive vote.
- The Company defined the minimum quorum for voting in the Charter of the Board of Directors. Therefore, the Meeting of the Board of Directors must be attended by Directors not less than 2 out of 3 of the total number of the Directors.

In 2023, Directors have strictly complied with the policy regarding the minimum quorum to vote at the Board of Directors' meeting. The Directors were present at the meeting not less 2 out of 3 of the total number of the Directors.

- To call for the meeting, the Chairman or the assigned persons shall send the meeting invitations to all Directors at least 7 days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given by other means and the meeting can be convened earlier.

In 2023, the Company held a total of 12 Board of Director's Meetings and the summary of Directors' attendance is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	12	11	92
2. Mr. Apichart Dharmasaroja	12	11	92
3. Mr. Tajtai Tmangraksat*	6	6	100
4. Mr. Polpat Karnasuta	12	12	100
5. Miss Pakatip Lopandhsri	12	12	100
6. Mr. Sook Sueyanyongsiri	12	11	92
7. Mr. Mongkol Peerasantikul	12	12	100
8. Mr. Apathorn Karnasuta	12	9	75
9. Mr. Sarunthorn Chutima**	2	1	50

Note: \* The resolution of the Board of Directors' meeting No. 7/2023 unanimously approved the appointment of Mr. Tajtai Tmangraksat. Being a director of the company and member of the audit committee To replace the original director who resigned The appointment is effective from July 18, 2023 onwards and has a term of office equal to the remaining term of Mr. Natthaporn Bhromsuthi. In 2023, Mr. Natthaporn Bhromsuthi attended the Board of Directors' meeting. Total 6/6, equivalent to 100 percent.

\*\* The resolution of the Board of Directors' meeting No. 11/2023 unanimously approved the appointment of Mr. Sarunthorn Chutima as a director of the Company, with the appointment effective from November 14, 2023 onwards and has a term of office equal to the remaining term of Mr. Pasan Swasdiburi. In 2023, Mr. Pasanon Sawatburi has attended all board meetings 9/10, accounting for 90 percent.

Furthermore, the Board of Directors' Meeting has considered the amendment of Committee Charter to align with the good corporate governance regarding the Meeting of Independent Directors, report of Directors and executives' securities trading and performance evaluation of individual Board's member.

The Company has arranged Independence Directors' Meeting No. 1/2024 on Tuesday, January 16, 2024, without any management personnel in such meeting, to consider the Company's operating result and discuss on management matters as well as any related topics.

## 7.3 Sub - Committees

### 1. The Audit Committee

The Board of Directors has appointed the Audit Committee which comprises of Directors who have the qualifications as required by the Securities and Exchange Law. The Audit Committee consists of 3 Independent Directors, namely:

Name	Position in the Audit Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Prasertphand Pipatanakul	Committee	Independent Director
3. Mr. Tajtai Tmangraksat*	Committee	Independent Director

Note: \* The resolution of the Board of Directors' meeting No. 7/2023 unanimously approved the appointment of Mr. Thatthai Thamangraksat. Being a director of the company and member of the audit committee To replace the original director who resigned The appointment is effective from July 18, 2023 onwards and has a term of office equal to the remaining term of Mr. Natthaporn Bhromsuthi. In 2023, Mr. Natthaporn Bhromsuthi attended the Board of Directors' meeting. Total 6/6, equivalent to 100 percent.

## Duties and Responsibilities of the Audit Committee

- Ensure the accuracy and sufficiency of information disclosure, including a reliability of the financial statements report in accordance with general accounting standard.
- Ensure that the Company has duly complied with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and other regulations and laws related to the Company's businesses.
- Consider, select and nominate an independent person to be the Company's auditor and propose such person's remuneration. In addition, propose to remove the Company's auditors in case the auditors cannot perform their duties or perform duties improperly, including attending non-management meeting with the auditors at least once a year.
- Ensure that the Company has an internal control and internal audit system which are sufficient, appropriate and effective. Including, determination on independency of the internal audit unit as well as approving the appointment, transfer or dismissal of the head of the internal audit office or related parties.
- Review the related transactions or any transactions that may lead to conflicts of interests to make sure that they are in compliance with the laws and regulations stipulated by the Stock Exchange of Thailand, reasonable and for the highest benefit of the Company.
- Ensure that the Company has sufficient, appropriate and effective risk management system.
- Review and give comment on an internal audit plan and performance of the internal audit office.
- Prepare the Audit Committee's annual performance report, which shall be signed by the Chairman of the Audit Committee, consists of at least the following information:
  - a) opinion on an accuracy, completeness and credibility of the Company's financial report;
  - b) opinion on an adequacy of the Company's internal control system;
  - c) opinion on a compliance with the Securities and Exchanges laws, the Stock of Thailand regulations or the laws relating to the Company's business;
  - d) opinion on a suitability of the external auditors;
  - e) opinion on transactions which may lead to conflicts of interest;
  - f) number of the Audit Committee's meeting and attendance of each committee member in such meeting;
  - g) opinion or overview of comments received by the Audit Committee from its performance due to the duties in accordance with the Charter; and
  - h) other transactions which, according to the Audit Committee's opinion, should be known by the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.
- Request or invite the management, executives or relevant parties to give statements or useful information, join meeting or deliver documents as deemed relevant and necessary.
- Review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities, propose any required amendments if necessary.
- Oversee that there is an effective whistle blowing system in place so that the whistleblower, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing as well as a non-compliance to any laws, regulations, business code of conduct or to any corporate governance policies, has a confidence that the Company has an appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues.
- Execute other duties as assigned by the Board of Directors.

The Audit Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. However, the re-appointment shall be in accordance with the Audit Committee Charter.

The Audit Committee must hold meetings at least 4 times per year, together with the external auditors, the internal auditor, the executives, and the executives who responsible for accounting and finance in order to review the financial statements and report to the Board of Directors. In 2023, the Audit Committee convened a total of 12 meetings and had meetings with the external auditors in every quarter. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	12	11	92
2. Mr. Prasertphand Pipatanakul	12	11	92
3. Mr. Tajtai Tmangraksat*	6	6	100

Note: \* The resolution of the Board of Directors' meeting No. 7/2023 unanimously approved the appointment of Mr. Tajtai Tmanangraksat. Being a director of the company and member of the audit committee To replace the original director who resigned The appointment is effective from July 18, 2023 onwards and has a term of office equal to the remaining term Mr. Natthaporn Bhromsuthi. In 2023 Mr. Natthaporn Bhromsuthi attended the Audit Committee meeting. Total exam 6/6, equivalent to 100 percent.

Furthermore, the Board of Directors' Meeting has considered the amendment of Audit Committee Charter to align with the good corporate governance principles regarding the removal of auditors who cannot perform their duties or perform duties improperly.

## 2. The Corporate Governance Committee

The Corporate Governance Committee consists of 9 Directors from the Board and 3 of which are Independent Directors, namely:

Name	Position in the Corporate Governance Committee	Position in the Board
1. Mr. Prasertphand Pipatanakul	Chairman of the Committee	Independent Director
2. Mr. Apichart Dharmasaroja	Committee	Independent Director
3. Mr. Tajtai Tmangraksa	Committee	Independent Director
4. Mr. Polpat Karnasuta	Committee	Director
5. Mr. Sook Sueyanyongsiri	Committee	Director
6. Mr. Mongkol Peerasantikul	Committee	Director
7. Miss Pakatip Lopandhsri	Committee	Director
8. Mr. Apathorn Karnasuta	Committee	Director
9. Mr. Sarunthorn Chutima	Committee	Director

### Duties and responsibilities of the Corporate Governance Committee

- Establish the Corporate Governance Policy under current legal framework, the cabinet's resolutions, principles, rules and regulations stipulated by the governing organizations such as the Stock Exchange of Thailand, the Securities and Exchange Commission and relevant agencies as well as international standards of corporate governance. Propose the drafted policy to the Board of Directors for approval and announce the approved policy to be used as the best practice of the Directors, the executives and employees at all levels.
- Oversee and give advice to the Directors, the executives and employees of the Company on how to perform their duties and fulfill their responsibilities in accordance with frameworks and criteria of the Corporate Governance Policy.

- Set a guideline for reporting the corporate governance compliance in the Company's annual report.
- Consider and approve the announcement of the Company's corporate governance issues to public as well as amend a circulation of corporate governance information on the Company's website.
- Consider, review and revise the corporate governance policy continually at least once a year to keep the Company's Corporate Governance Policy up-to-date and well-adjusted to the international standards.
- Review the Corporate Governance Charter to be up-to-date and well-adjusted to the international standards.
- Execute other duties as assigned by the Board of Directors.

The Corporate Governance Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. However, the re-appointment shall be in compliance with the Charter of the Corporate Governance Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

The Corporate Governance Committee must hold meetings at least twice a year. In 2023, the Corporate Governance Committee convened a total of 1 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	1	1	100
2. Mr. Apichart Dharmasaroja	1	1	100
3. Mr. Tajtai Tmangraksat	1	1	100
4. Mr. Polpat Karnasuta	1	1	100
5. Mr. Sook Sueyanyongsiri	1	1	100
6. Mr. Mongkol Peerasantikul	1	1	100
7. Miss Pakatip Lopandhsri	1	1	100
8. Mr. Apathorn Karnasuta	1	1	100
9. Mr. Sarunthorn Chutima	1	1	100

### 3. The Business Code of Conduct Committee

The Business Code of Conduct Committee consists of 6 Directors of the Board and at least half of the total members must be Independent Directors, namely:

Name	Position in the Business Code of Conduct Committee	Position in the Board
1. Mr. Prasertphand Pipatanakul	Chairman of the Committee	Independent Director
2. Mr. Apichart Dharmasaroja	Committee	Independent Director
3. Mr. Sook Sueyanyongsiri	Committee	Director
4. Mr. Nicolino Pasquini	Committee	Director
5. Mr. Apathorn Karnasuta	Committee	Director
6. Mr. Nocolino Pasquini	Committee	-

#### Duties and responsibilities of the Business Code of Conduct Committee

- Consider, define and approve the Business Code of Conduct, the Anti-Corruption Policy and the Code of Ethics to be used as the practical guideline for the Directors, the executives and employees towards shareholders, communities and society, and propose to the Board of Directors for approval.
- Consider and review the Business Code of Conduct and the Anti-Corruption Policy to be efficient and appropriate for the situation.
- Oversee, supervise and monitor to ensure compliance of the Business Code of Conduct, the Anti-Corruption Policy and the Code of Ethics have been strictly and continuously followed by all units in the Company.
- Execute other duties as assigned by the Board of Directors.

The Business Code of Conduct Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Business Code of Conduct Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

The Business Code of Conduct Committee must hold meetings at least twice a year. In 2023, the Business Code of Conduct Committee convened a total of 2 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	2	2	100
2. Mr. Apichart Dharmasaroja	2	2	100
3. Mr. Sook Sueyanyongsiri	2	2	100
4. Miss Pakatip Lopandhsri	2	2	100
5. Mr. Mongkhon Peerasantikul	2	2	100
6. Mr. Apathorn Karnasuta	2	2	100
7. Mr. Nocolino Pasquini	2	2	100

#### 4. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 4 directors and at least a half of them must be Independent Directors, namely:

Name	Position in the Nomination and Remuneration Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Tajtai Tmangraksat	Committee	Independent Director
3. Mr. Polpat Karnasuta	Committee	Director
4. Miss Pakatip Lopandhsri	Committee	Director

### Duties and responsibilities of the Nomination and Remuneration Committee

- Consider the appropriate structure, size and composition of the Board of Directors to suit the organization and the change of situation.
- Ensure that the structure of Board of Directors comprises of ethical and honest experts who are knowledgeable, experienced and skillful in diverse fields relevant to the business. Furthermore, a selection of directors shall be done without discrimination of gender, race, religion, age, professional skill, or other qualifications.
- Consider the criteria for selecting Directors, as well as select and nominate qualified persons to be considered by the Board of Directors before further submission to the Meeting of Shareholders for appointment as Directors.
- Consider qualifications of the Independent Directors to be in line with the criteria defined by the Securities and Exchange Commission and by the Company.
- Allow minority shareholders, with an appropriate time prior to the meeting of shareholders, the opportunity to propose qualified persons for Directors' selection.
- Set criteria for selecting CEO/ President.
- Select and nominate qualified persons to be considered by the Board of Directors for appointment as CEO/ President.
- Formulate succession plans for CEO, President and senior executive positions and submit to the Board of Directors for consideration.
- Consider compensation method and standard for directors, members of the sub-committees (except for the Nomination and Remuneration Committee itself) as well as for the CEO and President, so that they are equitable and appropriately corresponds to the respective assigned duties, responsibilities, achievement of their performance in terms of the Company's profits, and current business environment. The proposed compensation plan should also be comparable to those of other companies within the same or similar industry and business sector as the Company, and take into account the increase of value to the shareholders equity in the long term.
- Consider the compensation for Directors and sub-committees in order to propose it to the Board of Directors for endorsement and further propose for the approval of the Meeting of Shareholders.
- Define goals and evaluate the performance of the CEO and President to determine reasonable compensation.
- Consider knowledge development plans and training programs for existing and newly appointed directors to be suitable and in line with roles and responsibilities of their position and their role as the Board of Directors as well as other development which is critical to the business operations of the Company.
- The Nomination and Remuneration Committee has a right to attend trainings or to participate in activities to enhance knowledge and expertise by using resource of the Company.
- Invite executives or any related persons to attend the meeting in order to provide relevant information.
- Execute other duties as assigned by the Board of Directors.

The Nomination and Remuneration Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Nomination and Remuneration Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

In 2023, the Nomination and Remuneration Committee convened a total of 3 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member was as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	3	3	100
2. Mr. Tajtai Tmangraksat	1	1	100
3. Mr. Polpat Karnasuta	3	3	100
4. Miss Pakatip Lopandhsri	3	3	100

## 5. The Executive Committee

The Executive Committee consists of 8 members, namely:

Name	Position in the Executive Committee	Position in the Board
1. Mr. Sarunthorn Chutima	Chairman of Committee	Director
2. Mr. Polpat Karnasuta	Committee	Director / CEO
3. Mr. Mongkol Peerasantikul	Committee	Director, / President
4. Miss Pakatip Lopandhsri	Committee	Director
5. Mr. Nivate Lenghong	Committee	-
6. Mr. Apathorn Karnasuta	Committee	-
7. Mr. Pasan Swasdiburi	Committee	-
8. Mr. Nicolino Pasquini	Committee	-

### Duties and responsibilities of the Executive Committee

- Formulate the Company's business strategies, business operation plan, and the operating results of the Company to be the most effective and efficient.
- Review the Company's operational performance from time to time to find prompt solutions to achieve the planned business targets.
- Review and endorse annual budgets and large scale investment projects of the Company before submitting to the Board of Directors for approval.
- Set up organizational structure and carry out efficient management covering recruitment, trainings, employment, termination of employment, and compensation of executives and employees.
- Provide advice to the Board of Directors for making decisions on important issues and execute other duties as assigned by the Board of Directors.
- Act as a Company's representative and execute other duties on behalf of the Company with outsiders.
- The Executive Committee has the authority to consider the expenditures on investments within the amount of 200 Million Baht per transaction.

### Duties and responsibilities of the Chief Executive Officer

- Manage and operate the Company's business in accordance with the policies and authorities defined by the Board of Directors.
- Set up business targets, either long or short term, on the annual business plan including expenses budgets and long-term strategic plan and submit to the Board of Directors for approval; also report progress of the approved plan and budgets to the Board every 3 months.
- Manage work operation through the chain of command to achieve the objectives set on the Business plan by creating competitive competency and providing proper returns to shareholders.
- Allocate resources and recruit potential work force, then utilize them for the utmost benefit.
- Assign, appoint, remove, transfer, change the staff or employees' position; reduce or cut salary or wages; conduct disciplinary punishment; and dismiss employees according to the Human Resources Management regulations.
- Promote and build up strong corporate culture to support the vision and the business growth.
- Closely monitor the Company's business operation, evaluate operating results and report matter undertaken by the management to the Board of Directors in a timely manner.
- Consider and screen the Company's policies, business directions and undertaken matters that may affect the Company's business and matters relating to applicable laws and regulations of the Stock Exchange of Thailand; and present to the Board of Directors for approval.
- Prepare the documents detailing the operating authority for decentralization to employees in order to enable them to perform their duties efficiently and flexibly without losing control and submit to the Board of Directors for approval.
- Prepare report of financial status and financial statements, submit them to the Board of Directors for consideration and approval quarterly.
- Has an authority to approve any procurement in an amount exceeding 500,000 Baht per transaction.

The Company recognized the importance of the good corporate governance principle, thus, the Company organizes meeting constantly to review and revise Corporate Governance Policy. The Company reviewed and revised the Corporate Governance Policy in accordance with the standard and the principle of good corporate governance proposed at the Board of Directors' Meeting No.2/2023 on 28th February 2023. According to the revision, the Company defined Chairman and Chief Executive Officer are able to hold director positions in other listed companies, not more than 3 companies. Currently, Chairman and Chief Executive Officer held the director position of not over than 3 companies.

The Executive Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Executive Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

## 6. The Risk Management Committee

The Risk Management Committee consists of 10 members, namely:

Name	Position in the Risk Management Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Sook Sueyanyongsiri	Committee	Director
3. Mr. Mongkol Peerasantikul	Committee	Director
4. Miss Pakatip Lopandhsri	Committee	Director
5. Mr. Somchai Woonprasert	Committee	-
6. Mr. Nivate Lenghong	Committee	-
7. Mr. Nicolino Pasquini	Committee	-
8. Mr. Visut Suwanwitwaj	Committee	-
9. Mr. Warawut Nakpairat	Committee	-
10. Mr. Kumpanart Maneechot	Committee	-

### Duties and responsibilities of the Risk Management Committee

- Define, review and approve Risk Management Policy and risk management masterplan. Set and regulate the Company's risk management system as well as consider and review risk management plans to be efficient and appropriate for each situation.
- Evaluate, monitor and oversee risks to ensure that they are at appropriate levels.
- Oversee, supervise and monitor to ensure that all departments within the Company continuously comply with the Risk Management Policy.
- Consider and approve budgets and expenses for operation regarding risk management and monitor sufficiency of resources to be used for risk management.
- Monitor risks status of the Company and report to the Board of Directors and the Audit Committee.
- Form a working team as deemed appropriate.
- Execute other duties as assigned by the Board of Directors.

The Risk Management Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Risk Management Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

In 2023, the Risk Management Committee convened a total of 3 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

	Name	Total Number of Meetings	Total Attendance	Percentage
1.	Mr. Apichart Dharmasaroja	3	2	92
2.	Mr. Sook Sueyanyongsiri	3	3	100
3.	Mr. Mongkol Peerasantikul	3	3	100
4.	Miss Pakatip Lopandhri	3	3	100
5.	Mr. Somchai Woonprasert	3	2	67
6.	Mr. Nivate Lenghong	3	2	67
7.	Mr. Nicolino Pasquini	3	3	100
8.	Mr. Visut Suwanwitwaj	3	3	100
9.	Mr. Warawut Nakpairat	3	3	100
10.	Mr. Kumpanart Maneechot	3	2	67

7. The Corporate Social and Environmental Responsibility Committee

The Corporate Social and Environmental Responsibility Committee consists of 7 members, namely:

Name	Position in the Corporate Social and Environmental Responsibility Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Sook Sueyanyongsiri	Committee	Director
3. Mr. Pasan Swasdiburi	Committee	-
4. Mr. Nicolino Pasquini	Committee	-
5. Mr. Somchai Woonprasert	Committee	-
6. Miss Vipavee Leumnate	Committee	-
7. Mr. Kridchai Suthiluck	Committee	-

#### Duties and responsibilities of the Corporate Social and Environmental Responsibility Committee

- Set out the Company's Corporate Social Responsibility (CSR) Policy framework and activity plan, propose to the Board of Directors for approval. The Committee may invite the executives, employees or concerned persons to give opinions, join meeting or submit relevant information.
- Appoint working team to perform corporate social responsibility (CSR) activities as deemed appropriate; monitor its performance by assigning to prepare performance report on CSR activities and present to the Corporate Social and Environmental Responsibility Committee.
- Review performance outcome of CSR activities and report to the Board of Directors.
- Monitor and report the current and emerging sustainable development, CSR issues and trends to the Board of Directors.
- Review and approve disclosure of corporate social responsibility report in the Company's annual report.
- Consider and approve budget and expenses for exercising CSR activities.
- Execute other duties as assigned by the Board of Directors.

The Corporate Social and Environmental Responsibility Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Corporate Social and Environmental Responsibility Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

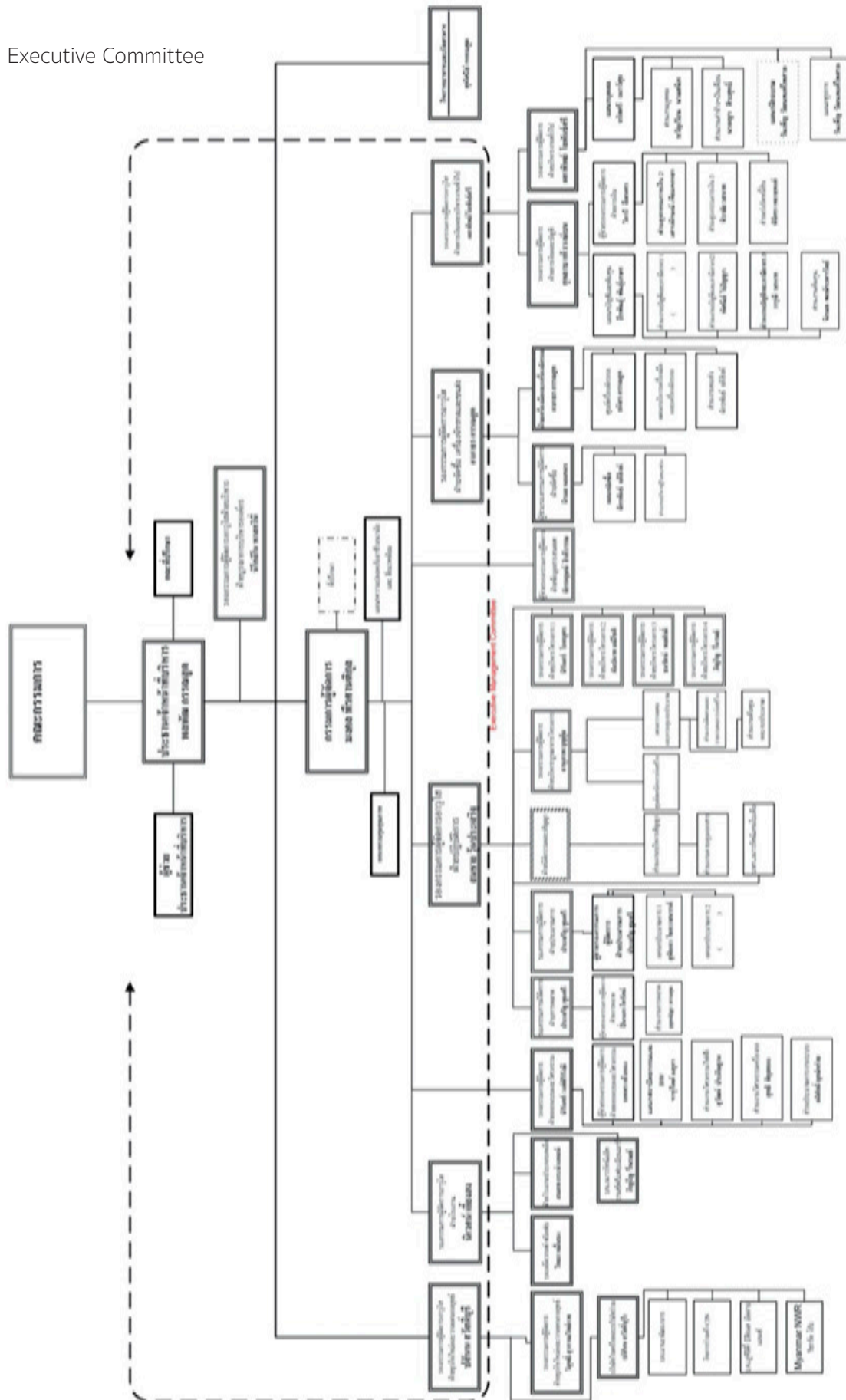
In 2023, the Corporate Social and Environmental Responsibility Committee convened a total of 3 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	TotalAttendance	Percentage
1. Mr. Apichart Dharmasaroja	3	2	67
2. Mr. Sook Sueyanyongsiri	3	3	100
3. Mr. Somchai Woonpresert	3	1	33
4. Mr. Pasan Swasdiburi	3	2	67
5. Mr. Kridchai Suthiluck	3	3	100
6. Miss Vipavee Leumnate	3	3	100
7. Mr. Kridchai Suthiluck	3	3	100

Note: Mr. Natthaporn Bhromsuthi has attended the meeting of the Social Responsibility and Environment Committee No. 1/2023. On the date of the said meeting, Mr. Natthaporn Bhromsuthi has not yet announced his resignation from the Company's board of directors. As mentioned above

## 7.4 Information of Executives

### 7.4.1 Executive Committee



Notes and Remarks:  
1) Special Project such as Non-Operative JV managed by CMO

The Company's executives as of December 31, 2023 are as follows:

Name	Position
1. Mr. Polpat Karnasuta	Chief Executive Officer
2. Mr. Mongkol Peerasantikul	President
3. Mr. Apathorn Karnasuta	Senior Vice President of Procurement & Logistic Department
4. Mr. Pasan Swasdiburi	Senior Vice President of New Business & Strategic Planning Department
5. Mr. Nicolino Pasquini	Senior Vice President of Corporate Integral Management Department
6. Mr. Nivate Ienghong	Senior Vice President of Factory Department
7. Miss. Pakatip Lopandhsri	Senior Vice President of Finance and General Management Department
8. Mr. Visut Suwanwitwaj	Vice President of New Business & Strategic Planning Department
9. Mr. Anupab Boonkum	Vice President of Integral Operation Management Department
10. Mr. Nirun Pokkabut	Vice President of Project Management Department 1
11. Mr. Kumpanart Maneechot	Vice President of Project Management Department 2
12. Mr. Thanarat Parasak	Vice President of Project Management Department 3
13. Mr. Pinyo Ruenrom	Vice President of Project Management Department 4
14. Mr. Nirun Wongsirungsri	Vice President of Design and Engineering Department
15. Mr. Prasert Poonsri	Vice President of Estimate Department
16. Miss Vipavee Leumnate	Vice President of Finance & Accounting Department

The first to seven names are executives according to the definition of the Securities and Exchange Commission (SEC).

#### Scope of duties of Chief Executive Officer

The meeting of the Board of Directors No.6/2006 on July 3, 2006 resolved to authorize the Chief Executive Officer to manage and oversee the Company's business operation in accordance with the Company's policy and the requirements stipulated in the Memorandum of Association covering but not limited to the following authorities:

1. To open/close and deposit/withdraw from saving accounts with financial institutes both domestic and international.
2. To undertake or cancel transactions and to bid in tendering sessions, enter into joint venture agreement, perform juristic act to sign and bind the Company (with the scope of liability not exceeding 2,000 Million Baht per transaction for contingent liability) whether in domestic or international, based on the consideration of the Company's liability values as follows: direct liabilities and contingent liabilities.
3. To apply for a credit, mortgage or put-up other securities (with the scope of liability not exceeding 1,000 Million Baht per transaction for direct liabilities and not exceeding 2,000 Million Baht per transaction for contingent liabilities) whether in domestic or international.
4. To invest and buy/sell investment units (not exceeding 200 Million Baht per one time) both domestic and international.
5. To invest and sell investments in other companies (not exceeding 200 Million Baht) both domestic and international.

6. To buy/sell fixed assets such as land and machinery (not exceeding 200 Million Baht of the book value per transaction) both domestic and international.
7. To perform any matter as assigned by the Board of Directors which shall not in breach of the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

However, the authorities and authorization granted to suitable persons do not include the authorities and/or authorization in approving any matters that he or any persons who may have conflict or indirectly get involved in the conflict of interests with the Company and/or subsidiary companies according to the regulation of the Stock Exchange of Thailand and/or the Securities and Exchange Commission's announcements. Such transactions are required to be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting for consideration and approval as specified by the Company's regulations or applicable laws.

### Scope of Duties of the President

The Board of Directors' Meeting No. 6/2006 held on July 3, 2006 resolved the approval to authorize the President to manage and oversee the Company's business operation in accordance with the Company's policy and the requirements stipulated in the Memorandum of Association which covering but not limited to the following authorities:

1. To govern/ manage the day-to-day operation of the Company. Monitor and evaluate the Company's operation regularly to prevent risks from internal and external factors and to report to the Board of Directors the operation results including the cooperation with external agencies in compliance with the law. Including arranging any procurement associated with the Company's normal operation activities.
2. To have the authority to consider the employment of the personnel, appoint, transfer, change the employee's field of work/section/department or dismiss the employee from his/her job. Including determination of salaries, remunerations, bonus payments, and welfare for all corporate employees.
3. To have the authority to take legal actions, withdraw charges, defense against any lawsuit, request the execution of court decision, proceed the process of arbitration, report or withdraw complaints on criminal cases, file petitions and appeal to the bureaucracy, take any action to maintain the Company's proper rights.
4. To open/close and deposit/withdraw from saving accounts with financial institutes both domestic and international.
5. To undertake or cancel transactions and to bid in tendering sessions, enter into joint venture agreement, perform juristic act to sign and bind the Company (with the scope of liability not exceeding 1,000 Million Baht per transaction for contingent liability) whether domestic or international based on the consideration of the Company's liability values as follows: direct liabilities and contingent liabilities
6. To apply for a credit, mortgage or put up other securities (with the scope of liability not exceeding 500 Million Baht per transaction for direct liabilities and not exceeding 1,000 Million Baht per transaction for contingent liabilities) whether domestic or international.
7. To invest and buy/sell investment units (not exceeding 100 Million Baht per one time) both domestic and international.
8. To invest and sell investments in other companies (not exceeding 100 Million Baht per one time) both domestic and international.
9. To buy/sell fixed assets such as land and machinery (not exceeding 100 Million Baht of the book value per transaction) both domestic and international.
10. To perform any matter as assigned by the Board of Directors, which is not in conflict with the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

However, the authorities and authorization granted to suitable persons do not include the authorities and/or authorization in approving any matters that he or any persons who may have conflict or indirectly get involved in the conflict of interests with the Company and/or subsidiary companies according to the regulation of the Stock Exchange of Thailand and/or the Securities and Exchange Commission's announcements. Such transactions are required to be proposed to the Board of Directors' meeting and/or the Shareholders' Meeting for consideration and approval as specified by the Company's regulations or applicable laws.

#### 7.4.2 Remuneration Policy for Directors and Executives, Including the Amount of Remuneration

##### Remuneration of Directors

The Company has established a clear and transparent policy on remuneration for Directors and sub-committees, their duties also take into account on policy establishment. The Nomination and Remuneration Committee shall consider and scrutinize remuneration of the Directors and the sub-committees by taking into account fairness and appropriateness, including consideration of the same nature of business before presenting to the Board of Directors. The Board of Directors shall approve the remuneration of the sub-committees and the shareholders shall approve the remuneration of the Board of Directors.

In 2023, the Board of Directors considered and reviewed the remuneration for the Directors and the sub-committees and presented to the Annual General Meeting of Shareholders on April 27, 2023 for consideration and approval of the remunerations of Directors and the sub-committees for the year 2023. The remuneration structure is as follows:

Position	Amount (Baht/person/year)
Chairman of the Board	648,000
Directors	432,000
Chairman of Audit Committee	336,000
Audit Committee members	240,200

In 2023, the Company paid remunerations to the Directors and the sub-committees as follows:

No.	Name of Director	Board of Directors			Audit Committee		
		Position	Remuneration per Month (Baht)	Number of Months (Months)	Position	Remuneration per Month (Baht)	Number of Months (Months)
1	Mr. Prasertphand Pipatanakul	Chairman	54,000	11	Chairman	28,000	11
2	Mr. Apichart Dharmasaroja	Director	36,000	11	Member	20,000	11
3	Mr. Tajtai Tmangraksat	Director	36,000	6	Member	20,000	6
4	Mr. Polpat Karnasuta	Director	36,000	12	-	-	-
5	Mr. Sarunthorn Chutima	Director	36,000	1	-	-	-
6	Mr. Sook Sueyanyongsiri	Director	36,000	11	-	-	-
7	Mr. Mongkol Peerasantikul	Director	36,000	12	-	-	-
8	Miss Pakatip Lopandhsri	Director	36,000	12	-	-	-
9	Mr. Apathorn Karnasuta	Director	36,000	9	-	-	-
		<b>Total</b>			<b>3,906,000</b>		

Remark: Apart from the monthly remunerations, the Company does not provide the Directors with any other benefits.

## Remuneration of Chief Executive Officer

The Company has established a policy on remuneration for Chief Executive Officer. The Board of Directors without the Director who holds the Chief Executive Officer position, shall evaluate President's performance at least once a year and report the evaluation result to the Nomination and Remuneration Committee to consider the appropriate remuneration for Chief Executive Officer, which consistent with Chief Executive Officer's performance. The Nomination and Remuneration Committee shall propose to the Board of Directors for further approval. The proposal shall consist of salary, bonus, social security, and provident fund.

## 7.5 Employees' information

In 2023, the Company has a total of 2,122 employees, classified as 337 full-time engineers, 1,785 non-engineer employees, 1,036 daily workers combined with foreign workers which could divided into 248 foreign workers and 1,874 Thai workers. Remuneration for employees in the year 2023 is 757.33 Million Baht.

Personnel	Year 2023	Year 2022	Year 2021	Unit
Monthly Employees, Engineer	337	331	444	Person
Monthly Employees. Other	749	968	876	Person
Daily Employees	1,036	1,218	1,139	Person
Total Employees	2,122	2,517	2,459	Person
* Employees Remuneration	757.33	790.24	747.24	Million Baht

Remark \* Employees Remuneration comprises of salaries wages, overtime payment, allowances and bonus.

In 2023, the Company has a total of 2,122 employees, classified as 681 female employees and 1,441 male employees. The ratio of remuneration for female employees to male employees equal to 35:65 percent.

## Provident Fund

According to the Provident Fund Act B.E. 2530 (1987), the Company has registered provident fund with the Asset Management Company on March 15, 1995. With the provident fund, employees are able to have their own saving and securities, not only for themselves but also for their families. The saving depends on their willingness and subjects to their employment period.

In 2023, the Company have 779 provident fund's members of 2,122 employees or 37 percent of the total number of employees.

## Savings Cooperative

The Company has registered savings cooperative according to Cooperatives Act, B.E. 2511 (1968) on January 9, 2007. The purpose is to enhance economic growth, broaden members' community, promote saving especially saving from their own salary and also grow peer support.

In 2023, the Company have 904 saving cooperative's members of 2,122 employees or 43 percent of the total number of employees.

## 7.6 Other Significant Information

7.6.1 Company's Secretary, Bookkeeper, Head of Internal Audit, and Head of Compliance Unit

### 1. Company's Secretary

The Company's Secretary has a key role in supporting and overseeing the Board's activities to be efficient, effective and in compliance with laws, rules, regulations, and corporate governance principles. The Board of Directors shall appoint a qualified person to perform this position based on his/her knowledge, ability and suitability and defined the roles and responsibilities of the Company's Secretary as follows:

- Prepare and file documents concerning the list of Directors, the Company's annual report, invitation letters for Directors' meeting, minute of the Board of Directors' meeting, invitation letters for Shareholders' Meeting and minutes of Shareholders' Meeting.
- File a report of vested interests of the Directors or executives.
- Send the copy of report of vested interests of the Directors and executives or related person to the Chairman of the Audit Committee within 7 days after receiving of the report.
- Arrange the Meeting of the Board of Directors and of the Shareholders under related rules, regulations and laws.
- Provide advice for the operation of the Company and of the Board under the Memorandum of Association, the Articles of Association, the Securities and Exchange Act, the Public Company Limited Act and other related laws.
- Act as a focal point for exchanging news and information among Directors, executives, and shareholders.
- Coordinate and follow up operation under the resolutions of Directors and shareholders.
- Oversee the disclosure of information and reports under relevant responsibilities to the monitoring agency as specified by the rules and regulations of the government agency.
- Perform other duties as announced by the Capital Market Supervisory Board or as assigned by the Board of Directors.

In addition, the Company's Secretary also required accounting and legal knowledge in order to be qualified for this position. The Board of Directors has supported the Company's Secretary to attend various training sessions in accordance with their performance.

Currently, the Company's Secretary is Miss Pakatip Lopandhsri.

**Miss Pakatip Lopandhsri.**

**Age:** 67 Years

**Date of Appointment:** January 1, 2017

**Percentage of shareholding:** 109,177 shares

**Education/Training:**

- Master of Business Administration from Saint Louis University, U.S.A.
- Bachelor of Accounting, Faculty of Commerce and Accountancy Chulalongkorn University
- Director Briefing (O-DB 2/2021)
- Company Secretary Forum (R-CSF 1/2019)
- Boardroom Success through Financing and Investment (BFI 7/2019)
- Director Certification Program (DCP 238/2017)
- Advance for Corporate Secretaries รุ่นที่ 1/2016
- Research Alliance (R-RA 1/2016)
- Fundamental Practice for Corporate Secretary (FPCS26)/2012
- Mini MBA/2012

**Experience:**

- Director, Vice President of Accounting and Finance Department, General Management

## 2. Bookkeeper

Mr. Teeraphun Phunkason

Age: 61 years

Date of Appointment: January, 1 2022

Number of shares held: - None -

Education/Training:

- Bachelor of Accounting, Faculty of Business Administration, Ramkhamhaeng University

Experiences:

- Vice President of Finance & Accounting Department

## 3. Head of Internal Audit

The Audit Committee will appoint the Head of Internal Audit Department by selecting qualified person, who are able to efficiently evaluate the internal control system and work performance and provide recommendation for improvement.

Currently, the Head of the Internal Audit Department of the Company is Mr. Warawut Nakpairat, General Manager of Internal Audit Department.

Mr. Warawut Nakpairat

Age: 49 years

Date of Appointment: 2015

Number of shares held: -None-

Education/Training:

- Master of Business Administration (Accounting), Thai Chamber of Commerce University
- Bachelor of Accounting, Thai Chamber of Commerce University
- Certified Professional Internal Auditors of Thailand (CPIAT)
- Internal Auditing Certificate Program (IACP), Thailand Federation of Accounting Professions (TFAC)
- ISO 9001:2008 Series Auditor / Lead Auditor BUREAU VERITAS Certification
- ISO 9001:2015 Internal Auditor BUREAU VERITAS Certification
- Advanced Risk Management (Advance), Thailand Federation of Accounting Professions (TFAC)

Experiences:

- General Manager, Internal Audit at Nawarat Patanakarn Public Company Limited

## 4. Head of Compliance Unit

The Company recognizes the importance of compliance which is a key mechanism to improve correctness and prudence of every operational procedures and steps, enhance the Company to operates in accordance with strategic plan, and achieve the goals. The Board of Directors, therefore, assigns the Internal Audit Department and the Quality System Department to supervise and monitor the compliance with the relevant laws and regulations.

The Company aims to operate business in accordance with a good corporate governance, including operating the business with accuracy and efficiency. Therefore, the Board of Directors has approved the appointment of Miss Pakatip Lopandhsri to be the Head of Compliance Unit with the following duties; coaching, monitoring Directors, executives, and employee to comply with the laws, regulations, policies, announcements and related restrictions, including communicating related information to employees through email (details as disclosed in Company Secretary topic).

### 7.6.2 Head of Investor Relations

The Company set up an Investor Relation Section under the New Business and Strategic Planning Department to serve as a center for disclosing and communicating the information to shareholders, investors, and securities analysts. (Details as disclosed in the information disclosure and transparency topic.)

### 7.6.3 Audit Fee for the Year 2023

In the fiscal 2023, EY Office Limited has been appointed to be the Company and its subsidiaries' auditor with the following audit fee.

- (1) Audit fee consists of audit fee for the Company and its subsidiaries in the amount of 3,670,000 Baht.
- (2) Non-audit fee: none.

## 8. Corporate Governance Performance Report

### 8.1.1 Nomination, Appointment, Dismissal, and Retirement of Directors

#### Nomination and appointment

The Nomination and Remuneration Committee shall propose the nomination of director to the Board of Directors and the Board shall present it to the Shareholders' Meeting for appointment as per the criteria and methodology stipulated in the Articles of Association of the Company as detailed below:

##### (1) Nomination of Independent Directors

The Nomination and Remuneration Committee will nominate directors who are qualified in terms of skills and experiences which are useful to the Company and meet the qualifications of Independent Director according to the requirements stipulated by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, and other qualifications as stipulated by the Company.

##### Qualifications of Independent Directors as follows:

- Holding not more than 1 percent of the total paid-up shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- Neither being nor having been an executive, employee, wage earners, advisors who regularly receive a salary, or personal consultant of person who gets authorization to manage the Company, its subsidiary or associated company, unless the foregoing status ended for a period not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, e.g. being customers, business partners, creditor, and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment.
- Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- Neither being nor have been an auditor of the Company, subsidiary, associated company, or other entity that might have a conflict of interest. And not being a major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary, associated company, unless the foregoing relationship ended for a period not less than three years from the date of appointment.

##### (2) Nomination of Directors

###### Criteria

The Nomination and Remuneration Committee will nominate and select persons to be appointed as directors to replace those Directors who vacate office, both resignation prior to the end of term and retirement by rotation by considering the proper proportion, number, and composition of the Board. The Nomination and Remuneration has systematically determined the criteria of director's nomination as follows:

- Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, the Stock Exchange of Thailand and the Company's regulations.
- Having knowledge, ability, and experience in a variety of fields. The Company has defined four necessary skills for director nomination as follows:
  - 1) Engineering
  - 2) Accounting, financial and banking
  - 3) Marketing strategy and competition
  - 4) Legal skill relating to business

- Having characteristics supporting and promoting the corporate governance to create value to the Company such as
  - 1) Having a leadership competency
  - 2) Having a broad vision
  - 3) Having ethics and morality
  - 4) Having transparent work experience without malfeasance
  - 5) Must not possess any prohibited characteristics pursuant to the law
  - 6) Having an ability to express opinions independently

### (3). Nomination of High-level Executives

The Nomination and Remuneration Committee will consider the criteria for selecting President/ Managing Director, as well as select and nominate qualified persons to be considered by the Board of Directors.

In addition, the Nomination and Remuneration Committee will formulate succession plans for Chief Executive Officer, President/ Managing Director, High-level Executives and submit to the Board of Directors for consideration.

## 8.1.2 Attendance and Remuneration

The Company has disclosed the amount of remuneration in topic no. 7.2 Board Structure and Composition, and topic no. 7.4.2 Remuneration Policy for Directors and Executives, Including the Amount of Remuneration.

## Performance Evaluation of the Board of Directors, Individual Board Member and the Sub-Committees

In 2023, the Company organized a performance evaluation of the Board of Directors, individual Board members and the sub-committees, collectively at least once a year, in order to use the evaluation results as a framework to verify the Board of Directors' performance during the year. To consider whether the performance is complete and appropriate according to the scope of authorities and in accordance with the good corporate governance principle.

### Performance Evaluation of the Board of Directors

#### Criteria

The performance evaluation of the Board of Directors was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of Directors' performance and related duties. The evaluation form was divided into 6 items which consists of

- 1) Structure and qualifications of the Board of Directors
- 2) Role, duties, and responsibilities of the Board of Directors
- 3) The Board of Directors' Meetings and Directors' performance
- 4) Directors' performance
- 5) Relationship with the management
- 6) Director's self-improvement and executive development

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the following meanings:

0	=	Absolutely disagree or no action was taken on that matter
1	=	Disagree or few actions were taken on that matter
2	=	Agree or fair actions were taken on that matter
3	=	Rather agree or adequate actions were taken on that matter
4	=	Absolutely agree or excellent actions were on that matter

Then all the scores will be evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90%	=	Excellent
Equivalent or over	80%	=	Very Good
Equivalent or over	70%	=	Good
Equivalent or over	60%	=	Average
Below	60%	=	Improvement needed

## Procedures

The secretary to the Nomination and Remuneration Committee will deliver the evaluation form to each Director at the end of each year. After each Director completed the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting, in order to set a measure to further improve the efficiency of the Board of Directors' performance.

## Performance Evaluation of Individual Board Member

### Criteria

The performance evaluation of individual Board member was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of Directors' performance and related duties. The evaluation form was divided into 3 items which consists of

- 1) Structure and qualifications of the Board of Directors
- 2) The Board of Directors' Meeting
- 3) Role, duties, and responsibilities of the Board of Directors

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the following meanings:

0	=	Absolutely disagree or no action was taken on that matter
1	=	Disagree or few actions were taken on that matter
2	=	Agree or fair actions were taken on that matter
3	=	Rather agree or adequate actions were taken on that matter
4	=	Absolutely agree or excellent actions were taken on that matter

Then all the scores are evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90%	=	Excellent
Equivalent or over	80%	=	Very Good
Equivalent or over	70%	=	Good
Equivalent or over	60%	=	Average
Below	60%	=	Improvement needed

## Procedures

The secretary to the Nomination and Remuneration Committee will deliver the self-evaluation form to each Director at the end of each year. After each Director completed the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting, in order to set a measure to further improve the efficiency of the Board of Directors' performance.

## Performance Evaluation of the Sub-Committees

The Audit Committee shall conduct self-evaluation at least once a year in order to improve its performance on supporting the Board of Directors' and the Company's business operation.

## Criteria

The performance evaluation of the sub-committees was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the sub-committees. The results are key factors for the enhancement of sub-committees' performance and related duties. The evaluation form was divided into 3 items which consists of

- 1) Structure and qualifications of the sub-committees
- 2) Roles, duties, and responsibilities of the sub-committees
- 3) The sub-committees' meeting and its performance

Rating shall be identified by each member's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the following meanings:

- |   |   |   |
|---|---|---|
| 0 | = | Absolutely disagree or no action was taken on that matter       |
| 1 | = | Disagree or few actions were taken on that matter               |
| 2 | = | Agree or fair actions were taken on that matter                 |
| 3 | = | Rather agree or adequate actions were taken on that matter      |
| 4 | = | Absolutely agree or excellent actions were taken on that matter |

Then all the scores are evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90%	=	Excellent
Equivalent or over	80%	=	Very Good
Equivalent or over	70%	=	Good
Equivalent or over	60%	=	Average
Below	60%	=	Improvement needed

## Procedures

The secretary to the Nomination and Remuneration Committee will deliver the evaluation form to each sub-committees' member at the end of the year. After each member completed the evaluation, the evaluation form shall be returned to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting in order to set a measure to further improve the efficiency of each sub-committee.

In 2023, the Board of Directors determined to make the performance evaluation of the Board of Directors, individual Board member and one of the sub-committees, which is the Audit Committee. The summarized evaluation results are as follows:

#### 1. Evaluation Result of the Board of Directors' Performance

The evaluation result of the Board of Directors' performance consists of 6 areas as follows; structure and qualifications the Board of Directors/ roles, duties and responsibilities of the Board of Directors/ the Board of Directors' meeting/ Directors' performance/ relationship with the management/ Director's self-improvement and executive development. In 2023, the average evaluation result is ranked in a very good rating or equivalent to 83.14 percent.

#### 2. Evaluation Result of the Individual Board Member's Performance

The evaluation result of Audit Committee's performance consists of 3 areas as follows; structure and qualifications of the Board of Directors /the Board of Directors' meeting / role, duties and responsibilities of the Board of Directors. In 2023, the average evaluation result is ranked in a very good rating or equivalent to 86.77 percent.

#### 3. Evaluation Result of the Audit Committee's Performance

The evaluation result of Audit Committee's performance consists of 3 areas as follows; structure and qualifications of the Audit Committee/the Audit Committee's meeting/ roles, duties and responsibilities of the Audit Committee. In 2023, the average of evaluation result is ranked in a very good rating or equivalent to 82.84 percent.

#### 4. Evaluation Result of the Nomination and Remuneration Committee's Performance

The evaluation result of Audit Committee's performance consists of 3 areas as follows; structure and qualifications of the Audit Committee/the Audit Committee's meeting/ roles, duties and responsibilities of the Audit Committee. In 2023, the average of evaluation result is ranked in a very good rating or equivalent to 87.67 percent.

#### 5. Evaluation Result of the Risk Management Committee's Performance

The evaluation of the Risk Management Committee's performance consists of 3 areas as follows; structure and qualifications of the Risk Management Committee/ the Risk Management Committee /roles, duties and responsibilities of the Risk Management Committee In 2023 the average of evaluation result is ranked in a very good rating or equivalent to 84.95 percent.

#### 6. Evaluation Result of the Corporate Governance Committee 's Performance

The evaluation of the Corporate Governance Committee's performance consists of 3 areas as follows; structure and qualifications of the Corporate Governance Committee/ the Corporate Governance Committee /roles, duties and responsibilities of the Corporate Governance Committee In 2023 the average of evaluation result is ranked in a very good rating or equivalent to 83.10 percent.

## Performance Evaluation of the CEO and President

For evaluation of the CEO and President's performance, who are senior executives, the Company has required other Directors excluding the Directors who hold the positions of CEO and President, to conduct the evaluation and submit the results to the Nomination and Remuneration Committee to consider the remuneration in terms of money and propose to the Board of Directors for approval. The performance assessment of the CEO and President must be held once a year by using the assessment criteria and procedures as follows:

### Criteria

The evaluation form of the CEO and President is separated into 2 key components based on the SET's evaluation approach as follows:

Component No.1 Evaluation of 10 following aspects of CEO and President's performance:

- 1) Leadership skill
- 2) Strategic planning skill
- 3) Adherence to the strategic plan
- 4) Financial planning and financial outcome
- 5) Relationship with the Board of Directors
- 6) Relationship with external parties
- 7) Management and relationship with employees
- 8) Succession plan
- 9) Products and services knowledge
- 10) Personal characteristics

Component No.2 CEO and President's Development should consist of development on the strengths including other aspects that should be further developed, the Board of Directors shall provide additional opinions in relation to the aspects.

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0– 4 only 1 slot in the evaluation form with the following meanings:

- |   |   |   |
|---|---|---|
| 0 | = | Absolutely disagree or no action was taken on that matter       |
| 1 | = | Disagree or few actions were taken on that matter               |
| 2 | = | Agree or fair actions were taken on that matter                 |
| 3 | = | Rather agree or adequate actions were taken on that matter      |
| 4 | = | Absolutely agree or excellent actions were taken on that matter |

Then all the scores are evaluated by mean of percentage calculation from full score. The criteria of scores are as follows:

Equivalent or over	90%	=	Excellent
Equivalent or over	80%	=	Very Good
Equivalent or over	70%	=	Good
Equivalent or over	60%	=	Average
Below	60%	=	Improvement needed

## Evaluation Result of CEO and President's Performance

The evaluation result of CEO's performance consists of 2 key components based on the SET's evaluation approach as follows; performance evaluation/ strength enhancement and area for development. In 2023, the average evaluation result is ranked in a very good rating or equivalent to 81.39 percent.

The evaluation result of President's performance consists of 2 key components based on the SET's evaluation approach as follows; performance evaluation/ strength enhancement and area for development. In 2023, the average evaluation result is ranked in a very good rating or equivalent to 81.65 percent.

## Procedures

The CEO and President shall involve in determining the targets for their own performance and acknowledging the approved target in each year. Afterwards, at the end of each year, the secretary to the Nomination and Remuneration Committee will distribute a CEO and President's evaluation form to all Directors for evaluation. The results acquired from the evaluation will be used for the CEO and President's further career development. The secretary to the Nomination and Remuneration Committee will collect all information, prepare a summary report and submit to the Nomination and Remuneration Committee and the Board of Directors for consideration of the CEO and President's compensation respectively.

## Development and Knowledge Accumulation for Directors and Executives

The Board of Directors seriously supports and encourages the knowledge development of all Directors and executives and has a policy on promoting all Directors, executives and the Company's Secretary including all employees who support the works of the Directors and the Company's Secretary to attend seminars and training courses. In 2023

Mr. Prasertphand Pipatanakul      Director      Course: Advance Audit Committee Program (ACCP48/2023)

Currently, there are 6 directors out of 9 directors in total, or equivalent to 67 percent, which successfully completed the course under the Director Certification Program (DCP) by Thai Institute of Directors.

The Board of Directors seriously supports and encourages the knowledge development of all Directors constantly, by defining it as one of meeting agendas during the Board of Directors meeting. The course schedule for directors and executives by the Thai Institute of Directors will need to be announced through this agenda on yearly basis. The Company secretary shall coordinate and process for directors accordingly.

### 8.1.3 Corporate Governance of the Subsidiaries and Associated Companies

The Company has to invest in construction business, any business related to construction industry, and other businesses that have growth potential. In compliance with the corporate governance of the Subsidiaries and Associated Companies, the Company will nominate a knowledgeable Director to be the Company's representative. The nominated Director will issue manage the Company's operation consistent with the Company's policy, vision, mission, and objective, including monitor, control and attend the quarter and annual meeting to ensure operation will proceed as per the plan.

### 8.1.4 Ensure the Company Operates Business in Compliance with the Policy and Practice of Corporate Governance

The Company recognizes the importance of corporate governance, business code of conduct, and also related policies. The Company adheres to those principles adequately and suitably among all stakeholders. More details are as disclosed in the topic no. 6.1 Overview of Corporate Governance Policy and Practice.

#### (1) Prevention of Conflicts of interest

The Company considers that it is important to conduct its business with integrity, all Directors, executives, and employees shall not seek personal benefits from the information or anything acquired from their duties and responsibilities. Thus, the Company has defined policy and a clear framework to avoid any conflict of interest by concerning the utmost benefit for the Company and shareholders. Furthermore, stakeholders shall not involve in decision-making process related to this policy and framework. The Board of Directors must strictly oversee compliance with the criteria and methods of disclosure of related transactions according to the policy. In case it is necessary to enter into related transactions or ones involved with conflict of interest, the transaction must be approved by the Board of Directors in accordance with the requirements stipulated by laws and the Company regulation before taking such action.

In 2023, the Company has not found any actions any violations of the conflict prevention policy.

#### (2) Use of internal information

In addition, the Company has established the following policy on the protection of use of internal information. And having a measure to ensure that such policy is informed and strictly complied:

1. Directors, executives, and employees must not use an internal information of the Company or of business partners, obtained due to their duties, to buy/sell or offer to buy/sell or persuade others to buy/sell or offer to buy/sell the securities of the Company or of the business partners either for personal or others' benefits and they must strictly comply with the relevant laws.
2. Directors, executives, and employees must keep confidentiality of the internal information in which they are responsible, and not to disclose the information to other persons or unrelated personnel of the Company.
3. The Company prevents the misuse of internal information by restricting an access to undisclosed information, allowing only the involved persons to access and provide only necessary information, and providing a security system for internal information which the owner of information must instruct the involved personnel to strictly comply with the confidential obligation thereof.
4. Disclosure of information shall be made by the Company's authorized person only. Personnel having no duty to disclose information when being asked to disclose the information which they have no authority to disclose, shall suggest the inquired person to contact the authorized person in order to get accurate information.
5. Apart from information disclosed to the public, the Company considers that remaining information considered as confidential information for internal use only. Directors, executives, and employees must use the information under the framework of assigned duties and responsibilities.

6. Directors, executives, and employees shall protect information and shall not seek benefit from internal information, even though the status as employees has been terminated.
7. Directors and senior executives are required to disclose the reports to the Securities and Exchange Commission on their holding of securities as well as reporting on every change in such holding under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 (three) business days after the date of purchase, sale, transfer or acceptance of the transfer.
8. Any person who disclosed information without permission, incurred damages to the Company, customers, and stakeholders shall be legally liable for such damages
9. The Board of Directors are required to report to the Company's Secretary on any direct and indirect sell or purchase of the Company's securities at least 1 day prior to the selling or purchasing date.

In 2023, Directors and executives did not trade the Company's securities. Moreover, the Company did not receive any complaints regarding any actions by the Directors or executives regarding the misuse of the Company's internal information.

There is no violation regarding buying or selling securities. In addition, shareholders are able to communicate freely with each other.

### **(3) Anti-corruption and Practical Guidelines Against Fraud**

The Company advocates and encourages its Directors, executives, and employees at all levels to recognize and having awareness of resistance from all types of fraud and corruption, whether internal or external the Company. Since fraud and corruption could damage not only business but also society and the country, the Company adheres to perform its business with transparency and auditability processes. Moreover, the Company has set up internal control systems to prevent all types of fraud and corruption.

The Business Code of Conduct Committee has clearly formulated in written a policy and practical guideline for anti-corruption which cover duties and responsibilities of directors, executives and employees called the "Business Code of Conduct Manual" and the committee defined disciplinary punishment measures in accordance with the Company's rules and regulations for corruption or violation of rules and regulations by employees. The policy and practical guideline have been approved by the Board of Directors' Meeting and was communicated to every person in the Company to acknowledge, study and understand.

The Company declared the intention to be a part of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) of Thailand and Institute of Directors (IOD) for anti-corruption. At the present, the Company is certified for the Second time as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) March 31, 2023, which last for three years from the date of certification.

In 2023, the Company has made a declaration to refrain from giving and receiving gifts during the new year season, which could lead to the risk of corruption. This declaration was made to support and promote Anti-Corruption Policy by publishing the white magazine in order to communicate policy and activities through the Company's internal channel. The Company also educated and promoted the policy through training sessions for employees and executives. (More details can be found in the topic of employee development)

Therefore, there are no violation actions by the directors or executives against Anti-Corruption Policy.

## Practical guideline for Anti-Corruption

1. Nawarat Patanakarn Public Company Limited supports and encourages employees at all levels to be aware of anti-fraud and anti-corruption and puts in place the internal control to prevent the Company from fraud and corruption, offering and acceptance of bribe in all forms, in all countries where the Company has invested in.
2. Directors, executives, and employees at all levels must comply with the guideline as per the below detailed:
  - **Offering and acceptance of bribe**

Offering and acceptance of all forms of bribe in exchange of business benefits is prohibited. This includes delegating other persons to commit such actions.
  - **Gifts, hospitality and other benefits**

Offering and acceptance of gifts, assets, hospitality or other benefits to/from customers, business partners, or related parties must be in compliance with the regulation of the “offering and acceptance of gifts, assets or other benefits” prescribed in the “Business Code of Conduct Manual”
  - **Political contributions**
    1. The Company has a policy to remain neutral with respect to political, whereas the Company shall not directly or indirectly contribute and engage in any actions affiliated with political parties or groups.
    2. Directors, executives, and employees have rights and freedom under the constitution to exercise their political activities but must not claim the status of being a Director, an executive, and an employee or must not utilize the Company's assets in supporting political activities. If Directors, executives, and employees engage in any political activities, they must take particular care not to imply or mislead that the Company is supporting any political parties.
  - **Charity donation, public benefit contribution and sponsorship**

As a part of society contribution, the Company has a policy for charity donation and public benefit contribution either in form of money or by other means such as stuff donation, activities participation, etc. and the Company has formulated a guideline for making charity donation, public contribution or sponsorship as follows:

    1. Charity donation, public benefit contribution or sponsorship must be transparent, lawful, and ethical; does not expect any business benefit returns and does not cause any damage to the public.
    2. Charity donation, public benefit contribution or sponsorship shall not be used as an excuse for bribery.
    3. Use of the Company's money or assets for charity donation, public benefit contribution or sponsor must be done under the name of the Company and having a purpose to projecting a positive corporate image and reputation to the Company.
    4. Any actions taken must be in compliance with procedures of reviewing and approving charity donation, public benefit contribution or sponsorship as stipulated in the Company's regulations.

3. The Company commits to create and sustain the organizational culture of zero tolerance of corruption when dealing with both government and private sectors.
4. Directors, executives, and employees at all levels must not ignore or negligent when witness any actions of possible corruption and shall report the matter to his/her supervisor or the responsible person and give full cooperation in an investigation. Channels for hearing any complaint from external parties shall also be provided. In this regard, it shall be in compliance with the Company's regulations.
5. The Company must be fair and protect any employees who refuse to associate with or provide information about corruption. Accordingly, the Company shall not demote, punish, or cause any negative consequence to such employee, although his/her action may lead to the Company's loss of business opportunity. The Company shall also be fair and protect employees or other parties who provide information or evidence about fraud and corruption concerned with the Company and its subsidiaries by applying protective measures for informants or person who cooperates in reporting fraud and corruption as specified in the Whistle Blowing Policy.
6. Directors and executives at all levels must demonstrate integrity and must be a role model in accordance with the anti-corruption policy. The Human Resources department was assigned to educate, promote understanding, and encourage employees at all levels to strictly and continuously adhere to the anti-corruption policy.
7. The anti-corruption policy includes human resources management procedures from recruitment, selection, promotion, training, and performance appraisal. Supervisors at all levels are responsible for communicating to their teams and creating understanding and enabling all employees to apply the policy to business activities within their scope of work as well as monitoring to ensure effective application of the policy.
8. Any person conducting fraud and corruption shall be considered disciplinary violation of personnel management's rules and regulations for employees and shall be subjected to disciplinary punishment as defined by the Company, as well as liable for their actions under the relevant law if such action is considered as an illegal action.
9. Any action taken under the anti-corruption policy shall be in accordance with guidelines prescribed in the "Corporate Governance Policy", "Business Conduct of Conduct Manual" as well as related working manuals and any additional guidelines to be formulated in the future.
10. The Company will regularly review the practical guideline and operating measures to be up to date and in compliance with the change in law and business operation condition.
11. The Company stipulates that communication and public relation activities of anti-corruption policy will be carried out via both internal and external media e.g. intranet, the Company's website, and annual report.

**(4) Policy on acknowledgement of incidence, grievance, suggestions channels for informants and protection of the rights of informants (Whistle Blowing Policy)**

The Company has systematically imposed the practical guideline for systematic, transparent, and accountability of grievance and complaints.

The Company established a department to acknowledge incidents, grievances or suggestions from stakeholders resulting from the Company's operation on 24 hours basis. Grievance or suggestion can be done verbally, via telephone, facsimile, electronic mail, and postal mail. The Company will provide an initial explanation of facts and measures to manage such matters to the party submitting a grievance or involved person as soon as possible, within 1 day.

In case of doubts or discovering any acts of possible violation or against laws, regulations, rules, Code of Conduct or Corporate Governance Policy, stakeholders can ask, undertake whistle blowing or file complaints with detailed evidence to the relevant person or department through the following channels:

**1. For internal grievance, suggestions and complaints by employees**

Contact: Mrs. Charutsri Naosuk

General Manager of Human Resources Department

Tel.: +66 (0) 2 7302100 ext. 2147

E-mail: n\_charutsri@nawarat.co.th

Or contact through the employees' suggestion box which provided in each workplace.

**2. For external grievance, suggestions, and complaints from external or outsiders**

Contact: Mr. Kridchai Suthiluck

Manager of Environmental Business Unit

Tel.: +66 (0) 2 7302100 ext. 2312

E-mail: s\_kridchai@nawarat.co.th

The Company will keep such information confidential to prevent the informants from encountering any impact. For employees, customers, or persons, who work for the Company, who reports clue or complaints, will be protected under relevant law. Details are as defined in the Company's Business Code of Conduct and the Corporate Governance Policy.

The Company has conducted an assessment and monitoring on the results of such operations. In 2023, the Company did not receive any incidence or grievance in relation to violation against law, Corporate Governance Policy, Anti-Corruption Policy, Business Code of Conduct, restriction, announcement, or related regulations. Moreover, the Company has no significant dispute occurred with its stakeholders.

**5. Policy and practical guidelines on others' properties, intellectual property rights and copyrights**

The Company conducts its business and encourages its employees to perform their duties in compliance with the laws and regulations in relation to intellectual property rights, whether in trademark, patent, copyright, classified commercial information, and other stipulated categories of intellectual property rights such as usage of computer software or licensed computer programs. The Company prohibits any actions violating software copyrights and any installation of pirate software in the office. Any employee who violates this regulation shall be considered intentionally committing a criminal offense and having intention to damage the Company and shall be dismissed. Any employee who installs any pirate computer software in the office must delete such software. The Company shall verify software installed in all computers currently in use in the office.

**6. Personal data protection**

The Company recognized the importance of protecting customers' personal data. Therefore, customers' personal data has been safely and properly managed throughout the process, including recording, collecting, disclosing, or using for the Company's operation. The Company has implemented the following practices to protect personal data.

- Categorized customers' personal data.
- Set up the recording objective of personal data.
- Defined personal data controller.
- Identified the recording period for personal data.
- Determined eligibility and accessible process, including related conditions.
- Initiated the practice of using and disclosing personal data, which does not require customers' consent.
- Established personal data protection and security policy.

In addition, the Company recognized the responsibility to protect the personal data of all stakeholders, including shareholders, employees, customers, and partners. The Company has operated its business following the Personal Data Protection Act B.E. 2562, known as “PDPA”. To ensure the Company will be able to operate transparently, the following actions have been placed.

- Prepared and announced the usage of Cookie Policy on the Company’s website and promoted via email across the entire organization.
- Assigned a working unit to prepare and control the PDPA system.
- Appointed a Data Protection Officer (DPO).
- Recorded related evaluation processes related to personal data across departments (Record of Processing Activities, ROPA).
- Bought Software Conzento to record personal information and support any operation related to PDPA.
- Conducted training sessions for executives and employees about PDPA by external and internal trainers.

In the year 2023, The Company launched PDPA magazine to create awareness, and provide the latest news related to PDPA among directors, executives, and employees.

## **7. Information Technology Security**

The Company has set up an Information Technology Security Policy, including procedures to protect the Company’s information technology, which could increase the effectiveness, control the usage, and control any communication through the Company’s website.

In addition, the Company has created awareness of the information technology security to executives and employees by conducting a training session about cybercrime and personal data protection. The Company also updated the policy and procedure related to information technology to make it up to date and improve credibility.

The information Technology Department has initiated a policy, including access and control procedures to limit accessibility through approval approach.

## 8.2 Performance Report of Sub-Committee

### Report of the Audit Committee

The Audit Committee consists of 3 Independent Directors. The Audit Committee performs their duties and has responsibilities as assigned by the Board of Directors and in compliance with the best practice for the audit committee as announced by the Stock Exchange of Thailand. This is an important mechanic that could support the Board of Directors in overseeing the Company's operation and providing independent and transparent opinions in order to build trust and credibility among stakeholders. In 2023, the Audit Committee convened 12 meetings to consider the related matters. The executives, the general manager of the Internal Audit Department, and the auditor attended the meetings on the agenda relating to the quarterly review of financial statements. While in the meeting for auditing the annual Financial Statements, there are none of the Company's executives participated. The performance of the Audit Committee is summarized as follows:

1. Reviewed the quarterly financial statement of the year 2023 and the 2023 financial statement to ensure that it is accurate, adequate, completed, reliable and prepared under generally accepted accounting procedures. Reviewed related party transactions between its subsidiary companies, associated companies, joint ventures, related party and executives to ensure that the transactions were done in normal business condition and in compliance with rules and regulations stipulated by the Stock Exchange of Thailand before proposing to the Board of Directors.
2. Supervised the internal audit, considered together with the general manager of Internal Audit Division and adjusted the auditing plan to be consistent with changes to create sound internal control system.
3. Reviewed the auditing results and monitored the operations to be in line with the plans in order to prevent or reduce the potential risks and considered the work performance of the General Manager of the Internal Audit Division. The Audit Committee has an opinion that the Company's auditing operation has been performed effectively and appropriately.
4. Reviewed the Company's compliance with laws, regulations and requirements of the Securities and Exchange Act, and other regulations relating to the Company's business. After the meeting with the Company's Secretary who has a duty to supervise and monitor the compliance with laws, regulations, and requirements of the Office of Securities and Exchange Commission and the Stock Exchange, the Audit Committee had issued an opinion that the Company complied with all requirements without any significant flaws.
5. Considered the appointment of auditors and submitted its opinion to the Board of Directors in order to further propose to the Annual General Meetings of Shareholders for approval of the Company's auditors and audit fee.
6. Reviewed related party transactions to avoid conflict of interest and ensure the transactions were done properly in compliance with laws and regulations stipulated by the Stock Exchange of Thailand. This is to ensure such transactions were made reasonably and created utmost benefit to the Company.

Audit Committee has performed by exercising the knowledge and expertise to perform with due care, prudence, provide independent opinions and suggestions beneficial to all stakeholders on an equitable basis. The Company's financial reports are accurate, reliable, in consistency with the financial reporting standards and have a sufficient efficient internal control system, along with the effective internal audit system, with its performance in accordance with the Laws and Good Corporate Governance principles completely.

**Mr. Apichart Dhamasaroja**  
Chairman of the Audit Committee

### Report of the Risk Management Committee

The Risk Management Committee consists of 8 members and the Chairman of the Risk Management Committee shall be an Independent Director. The Risk Management Committee has duty to define Risk Management Policy covering entire organization, implement and monitor related practices that could properly manage risk and minimize impact to the Company's business. In 2023, the Risk Management Committee convened 3 meetings and report its performance in the year 2023 to the Board of Directors which summarized as follows:

1. Monitored the implementation of enterprise risk management plan, especially for the risks at high level, to ensure the effective risk management and ongoing compliance.
2. Reviewed and followed up the operational risk management plan of business units.
3. Conducted a Key Risk Indicator (KRI) to ensure that the Company has an appropriate internal control system to manage risk and to implement the risk management system properly.
4. Provided training to employees at operational level.
5. Prepared report of the Risk Management Committee to disclose its 2023 performance.

The Risk Management Committee has opinion that the performance of the Risk Management Committee achieved the Company's goals regarding the management of organizational risk management system by receiving good cooperation of executives and employees.

The Risk Management Committee has opinion that the performance of the Risk Management Committee achieved the Company's goals regarding the management of organizational risk management system by receiving good cooperation of executives and employees.

**Mr. Apichart Dhamasaroja**  
Chairman of the Risk Management  
Committee

## Report of the Corporate Social and Environmental Responsibility Committee

The Corporate Social and Environmental Responsibility Committee consist of 5 members, 2 of the members are Independent Directors and the Chairman of the Corporate Social and Environmental Responsibility Committee is one of the Company's Director. The Corporate Social and Environmental Responsibility Committee has a duty to enhance business operation to be consistent with social and environmental responsibility, define policy and framework, appoint working team and monitor the related implementation. In 2023, the Social and Environmental Responsibility Committee convened 3 meetings and reported its performance in the year 2023 to the Board which summarized as follows:

1. Appointed the new member of Social and Environmental Responsibility working team to replace the resigned member, comprising 8 managers from relevant departments to drive the policy and organize activities about social and environmental responsibility.
2. Defined a new Social and Environmental Responsibility Policy consist of 7 issues by defining that the Company is committed to conducting business in accordance with good corporate governance, business code of conduct and involving in social development, as well as prepared monthly green journal, which is the internal journal to share knowledge and communicate activities about social and environmental responsibility to Directors, executives, and all employees so that they can acknowledge and follow.
3. Considered of the Company's Greenhouse Gas Policy According to the 26th UN Climate Change Conference of the Parties (COP26), many countries are actively stating their carbon-neutral mission, including the goal of net zero emission
4. Performed the Social and Environmental Responsibility Policy, defined a plan and budget for the projects and activities in relation to corporate social and environmental responsibility (CSR) in the year 2023.
4. Prepared report of the Corporate Social and Environmental Responsibility Committee to disclose its 2023 performance.

The Corporate Social and Environmental Responsibility Committee is committed that the Company's operation shall be carried out as planned and in accordance with the Board of Directors' assignment, and also recognizes the importance of social and environmental responsibility which will allow the Company to grow sustainably.

**Mr. Apichart Dhamasaroja**  
Chairman of the Corporate Social and  
Environmental Responsibility Committee

## Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 4 members and the Chairman of the Nomination and Remuneration Committee shall be Independent Director. The Nomination and Remuneration Committee shall perform its duties in recruiting and considering the remuneration of the Board of Directors, sub-committees, the Chief Executive Officer, and the President to be transparent and fair. In 2023, the Nomination and Remuneration Committee convened 3 meetings and reported its performance to the Board of Directors for acknowledgement after each meeting, summarized below:

1. Considered the suitable candidates for proposing to the Board and the 2023 Annual General Meeting of Shareholders for consideration. The Company offered minor shareholders an opportunity to nominate directors during November 1-30, 2023. Since no such nomination emerged, the committee recommended that the Directors who completed their terms in year 2023 should be reappointed for another term. The Meeting of Shareholders resolved to re-appoint Directors as proposed.
2. Consider the persons with appropriate qualifications, abilities, and experiences that are beneficial to the Company's business operations. To be appointed as 2 directors of the Company by replacing in order to operate smoothly and efficiently and rely on the company's
3. Considered the remuneration of the Board of Directors and the Sub Committee for the year 2023 and submitted its opinion to the Board of Directors and the 2023 Annual General Meeting of Shareholders for consideration and approval.
4. Considered the remuneration of executives and employees for the year 2023 with corresponding to the respective assigned duties and responsibilities, performance matching with the Company's operating results, environment relating to the Company's business, as well as comparison to other companies within the same or similar industry and business sector, and proposed to the Board of Directors for consideration and approval. The Board of Directors approved the compensation as proposed.
5. Considered criteria and procedures of the annual performance evaluation of the Board of Directors, individual Board member, and the sub-committees. The proposal was approved by the Board of Directors.
6. Considered criteria and procedures of the annual performance evaluation of the Chief Executive Officer and the President.

The proposal was approved by the Board of Directors. The Nomination and Remuneration Committee performed its duties with caution and integrity based on the responsibilities designated in its charter. It adhered to the principle of good governance adequately and suitably for the balanced and sustainable benefits of all stakeholders.

**Mr. Apichart Dhamasaroja**  
Chairman of the Nomination and  
Remuneration Committee

## Report of the Business Code of Conduct Committee

The Business Code of Conduct Committee consists of 6 members and the Chairman of the Business Code of Conduct Committee shall be an Independent Director. The Business Code of Conduct Committee has duty to oversee and monitor the Company's business operation based on integrity, transparency, morality, ethics, and responsibilities to all stakeholders in accordance with the Company's Business Code of Conduct. In 2023, the Business Code of Conduct Committee convened 2 meeting and reported its performance in the year 2023 to the Board of Directors which summarized as follows:

1. Considered, reviewed, and revised the Business Code of Conduct Handbook to make it modern, up-to-date and in accordance with the Company's best practice and the Corporate Governance Policy, also defined it as a part of work regulations that Directors, executives, and employees at all levels must strictly observe; and proposed it to the Board of Directors for consideration and approval. The Board approved the revision as proposed.
2. Reported the latest progress of the participation as a part of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) of Thailand and Institute of Directors (IOD) for anti-corruption. The Company was certified for the Second time as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since March 31, 2023, which last for three years from the date of certification.
3. Encouraged and emphasized Directors, executives and all employees to acknowledge, understand, realize, and strictly adhere to the Business Code of Conduct principles through various communication channels such as e-mail and intranet.
4. Published the Business Code of Conduct to shareholders and all stakeholders to acknowledge and comply with the Company's intention via the Company's website: [www.nawarat.co.th](http://www.nawarat.co.th)

The Business Code of Conduct Committee has its decisive intention and commitment to promote and enhance the Company's business operation to be in accordance with the Business Code of Conduct and be more efficient in order to reinforce the confidence of shareholders including all stakeholders.

**Mr. Prasertphand Pipatanakul**  
Chairman of the Business Code of  
Conduct Committee

## Report of the Corporate Governance Committee

The Corporate Governance Committee consists of 9 members and the Chairman of the Corporate Governance Committee shall be an Independent Director. The Corporate Governance Committee responsible to oversee and monitor the Company's corporate governance to be in compliance with the good corporate governance principles of the Stock Exchange of Thailand, the Thai Institute of Directors Association (IOD), and the Organization for Economic Cooperation and Development (OECD). In 2023, the Corporate Governance Committee convened 1 meetings to monitor the operations in accordance with the good corporate governance plan. Its performance was reported to the Board of Directors for acknowledgement which summarized as follows:

1. Ensured the Company having full compliance with the Good Corporate Governance Guidelines of the Stock Exchange of Thailand and the Corporate Governance Principles of the Organization for Economic Cooperation and Development (OECD) in 5 categories as follows: 1) rights of shareholders, 2) equitable treatment of shareholders, 3) role of stakeholders, 4) information disclosure and transparency, and 5) responsibilities of the Board.
2. Encouraged Directors, executives, and all employees to acknowledge, understand, realize and correctly comply with the principle of good corporate governance through various communication channels such as e-mail, intranet, and the Company's website.
3. Reviewed and improve Directive policy 5 years for a corporate with passion to grow as a leader in construction and diversified promising business based on valuable contribution to the prosperity and social responsibility of all.
4. Followed up on the report of the results of the assessment of the quality of the general meeting of shareholders and report the results of the assessment according to the principles of good corporate governance. In order to improve the company's operating processes to be consistent.
5. Encouraged Directors to continuously participate in training and supported Directors to attend training courses held by the Thai Institute of Directors Association (IOD).
6. Defined policy for sub-committee by adopting vision and new mission to harmonize all aspects in policy guideline, communicated vision and new missions to the people inside and outside the Company, including built mutual understanding thereof.
7. Proposed to improve information disclosure, policy, the Charter of the Board to be consistent with the good corporate governance policy of the Stock Exchange of Thailand.
8. Prepared report of the corporate Governance Committee to disclose its 2023 performance to the board of director.

The Company is committed to being compliant with the determined Corporate Governance Policy, advocating the improvement and development of such policy, and continually and properly disclosing to reflect the efficiency, transparency, reliability and auditability of the management.

**Mr. Prasertphand Pipatanakul**  
Chairman of the Corporate  
Governance Committee

## 9. Internal Control and Related Party Transactions

### 9.1 Internal Control

The Board of Directors, management executives, and operational levels recognize the importance of internal control as it is the key factor to prevent risks which may occur. The Company continuously monitors and ensures its business complies with corporate governance in order to effectively and sustainably achieve the Company's goal.

The Company has constantly developed and improved the internal control and the practice of good corporate governance (GSG). The operation of an internal control divided duties of each department and each position, decentralization to projects, factories, and working units by clearly and suitably defined authorities of executives and employees to counterbalance the protection of shareholders' equity and the Company's assets. There is a separation of duties of departments and various job positions. As well as establishing an internal control system that covers reports of financial statement and non-financial, policy and personnel management, protection of the high-risk assets, and control of information system, including setting the Objective Key Result (OKR) and Key Performance Indicators (KPI). To drive the Company's strategy effectively and provide follow-up evaluation during the operation. The evaluation will be continuously made on a regular basis.

The internal audit is subject to the Audit Committee, which is responsible for auditing, assessing, and ensuring adequate internal control has been placed among each operation unit of the Company and the subsidiaries. The Committee of Sponsoring Organization of Treadway Commission (COSO) framework has been adopted as a guideline for the Company's internal control. Moreover, the Company applies ISO 9001:2015 as a tool to establish a practice handbook, regulations, rules, create internal control system and communicate internally with the employees of the Company for implementation.

### 9.2 Internal Audit

The Board of Directors is assigned the Audit Committee which comprises Independent Directors, who shall examine the internal control system of the Company, including review the Charter of the Audit Committee and the Charter of the Internal Audit. The Internal Audit Department shall freely assess the internal control and evaluate the performance of each department, in compliance with the Charter of Audit Department, and also monitor the Audit Committee according to the Internal Audit Scheme of the year 2023. The Scheme has been revised and adjusted strategy in consistence with the COVID-19 situation and also considered risk in New Normal era, which was approved by the Audit Committee to ensure the internal system is adequate, proper, and practical. Including maintaining assets and efficient usage of resources in order to prevent damage or fraud which may occur.

The Audit Committee will appoint the Head of Internal Audit Department by selecting a qualified person, who is able to efficiently evaluate the internal control system and work performance and provide recommendations for improvement. (More details are as disclosed in the topic no. 7.6 Other Significant Information.)

## 9.3 Risk Management

The Company recognized the importance of risk management which is a key mechanism and management tool in making an organization achieve its goals and objectives, minimizing impact due to the changes of external and internal factors. The risk has been defined in two levels which are the risk at the corporate level and the risk at the operational level. To cover the Company's operation, the Board of Directors sets up the Risk Management Committee (RMC), consisting of the directors appointed by the Meeting of the Board of Directors, Independent Directors, and related Executives. The Committee shall supervise and support the effective implementation of the Risk Management Policy and issue solid Risk Management Policy, including communicating with Executives and employees on the following matters:

1. Risk management is a part of organizational culture. Every employee is required to learn, understand, realize its importance, and constantly adopt it with effectiveness and efficiency.
2. Risk management is an important operation of the Company. It must cover all aspects of the mission and must be in the same standard throughout the Company.
3. Risks that may affect the achievement of the Company's objectives must be managed promptly. For risk at the corporate level, the Company has the Risk Management Committee and a working group specifically for the risk at the corporate level, which shall supervise and support the effective implementation of the Risk Management Policy by coordinating with the enterprise risk plan working group, who shall review and follow up on the risk management of the Company. The Committee will review the risk factor, annual corporate risk management plan, the tracking index of Key Risk Indication (KRI) every quarter which shall include the major risks of the Company namely Strategy Risk, Operation Risk, Financial Risk, Compliance Risk, and Emerging Risk such as operation during the outbreak of COVID-19 and further propose to the Board of Directors' Meeting and the Annual Strategy Meeting in order to acknowledge the level of risk that affecting the Company.

For the risk at the operational level, the Company has applied ISO 9001:2015 as a tool to provide the manual for the risk management system for projects, factories, and all working units to understand the principles and procedures and to use it as a guideline for risk management. The Company also required all working units to identify and assess risks associated with their operations and evaluate the possible impacts and any impact on operations. Then prioritize risks, develop a risk management plan, control, monitor, and systematically

In 2023, the Company conducted the risk management as follows:

- Set up the corporate risk management plan.
- Required each working unit to assess and review its risk management plan.

In 2023, the Risk Management Committee has set up the working group, which comprises Executives from related departments, including Operation, Financial, Marketing, Management, New Business and Strategic Planning, and Internal Audit Department. The objective of the working group is to initiate the scheme of risk management at corporate level together.

## 9.4 Related Party Transactions

### 9.4.1 Information of Related Party Transactions

Nawarat Patanakarn Public Company Limited has significant business transactions between its subsidiary companies, associated companies, joint ventures, related parties, and executives as follows:

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
1. Nawarat - A.S. Associated Joint Venture						Contract asset Less Allowance for expected credit loss	8 (8) 0	The Company jointly invested with A.S. Associated Engineering (1964) Co., Ltd. in the joint venture in a proportion of 70:30 to construct the water tunnel from Taksin-Petchkasem Ring Road to Rama 2 Road for the Metropolitan Water Authority at 661 Million Baht. The project was completed in January 2007 and the construction warranty period ended in August 2009.
2. A.S. - Nawarat Joint Venture						Joint-venture investment Less impairment	2 (2) 0	The Company jointly invested with A.S. Associated Engineering (1964) Co., Ltd. in the joint venture in a proportion of 50:50 to jointly undertake the construction of UaArthorn Project of the National Housing Authority.

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
3. Nawarat (Cambodia) Company Limited		-	-	-		Advance payment <u>Less</u> Allowance for expected credit loss  Investment in subsidiary companies <u>Less</u> Allowance for expected credit loss	<u>147</u> <u>(147)</u> <u>0</u> <0.5  <u>(&lt;0.5)</u> <u>0</u>	1. In the year 2017, the Company established Nawarat (Cambodia) Company Limited in Cambodia, in which the Company holds 100 percent of its shares, with a registered capital of 5,000 USD or approximately 150,000 Baht. 2. The company conducts construction business. Currently, the company is constructing 150 Million Megawatt thermal power plant. 3. The actual advance payment was made in USD but it was recorded in Thai Baht in the financial statement. Thus, it needs to be adjusted annually according to the exchange rate at the end of the fiscal year.
4. Myanmar NWR Company Limited	Interest income	41	36	4		Short-term loans Accrued interest income <u>Less</u> Allowance for expected credit loss  Investment in subsidiary companies <u>Less</u> impairment	96 41 <u>(137)</u> <u>0</u> 3 <u>(3)</u> <u>0</u>	1. The Company invested in Myanmar NWR Company Limited by holding 100 percent of its shares. 2. The loan interest rate is at 5.0 percent per annum.

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023		Remark
					Transaction in the balance sheet	Amount	
5. Utility Business Alliance Public Company Limited	Construction cost	1	52	28	Accrued Expense	<0.5	The Company invested in Utility Business Alliance Public Co., Ltd. by holding 43 percent from the previous 60 percent.
	Interest income	12	19	110	Investment in subsidiary companies	133	
	Other revenues	-	7	-	Account payable	3	
					Retention deposit	8	
6. C.I.N. Estate Co., Ltd.	Interest income	-	-	<0.5			<p>1. This company is a former joint investment between Nawarat Patanakarn Public Company Limited and Charn Issara Development Public Co., Ltd. in a proportion of 40:60 to undertake the construction of a condominium on Ladprao Road between Soi12-14 called "The Issara Ladprao" and another project on Suksawat Road called "ISSI". Later in September 2015, the Company sold its total investment in the amount of 999,997 shares which equals to 161 Million Baht to Mana Patanakarn Company Limited, the Company's subsidiary, which conducts real estate business.</p> <p>2. The loan interest rate is referred to MLR of Krungthai Bank PCL.</p>
7. E.G.G. Enterprise Co., Ltd	Revenue from sale, rentals and services	1	1	1	Accounts receivable	2	<p>1. Mr. Polpat Kamasuta, the Chief Executive Officer is the authorized director and shareholder of E.G.G. Enterprise Co., Ltd.</p> <p>2. The Company has gained rental revenues from letting its office building, land and warehouses to E.G.G. Enterprise Co., Ltd.</p>
	Other revenues	5	<0.5	<0.5	Deferred Income	<0.5	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
8. K Alliance Co., Ltd.						Accounts receivable <u>Less</u> Allowance for expected credit loss	1 ( <u>&lt;0.5</u> ) <u>1</u>	1. Mrs. Sutasanee Kamasuta and Mrs. Sutheera Phuttharee, the younger sisters of Mr. Polpat Kamasuta, are the authorized directors and the shareholders of K Alliance Co., Ltd. while Mr. Polpat Kamasuta holds the position of Chief Executive Officer. 2. The main business of K Alliance Co., Ltd. is the mining business. 3. The accounts receivables have been incurred since the Company repaired the machine, including wages and service expenses from the mine of K Alliance Co., Ltd.

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
9. Ruen Rapee Co., Ltd.						Accounts receivable <u>Less Allowance for expected credit loss</u>	41 (41) 0	<p>1. Mrs. Sutasanee Kamasuta and Mrs. Sutheera Phutharee, the younger sisters of Mr. Polpat Kamasuta, are the authorized directors and the shareholders of Ruen Rapee Co., Ltd, while Mr. Polpat Kamasuta holds the position of Chief Executive Officer.</p> <p>2. The main business of Ruen Rapee Co., Ltd. is real estate development business. The company handled and constructed "Barn Baranee" project, located at Klong 3, Rangsit.</p> <p>3. By the third quarter of 2008, Ruen Rapee Co., Ltd. transferred part of the houses and lands in "Barn Baranee" project in amount of 24.51 Million Baht as a partial repayment of its debt to the Company. And in the second quarter of 2009, more houses and lands in the Project in amount of 57.48 Million Baht were transferred to the Company as another repayment of such debt.</p> <p>4. As of December 31, 2023, the shareholders of Ruen Rapee Co., Ltd. consisted of: Mrs. Sutasanee Kamasuta 590,998 shares, Mrs. Sutheera Phutharee 1 share, Miss Benja Yiempfu 1 share (Please see additional notes at the end of the table)</p>

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023		Remark
					Transaction in the balance sheet	Amount	
10. East Bangkok Assets Co., Ltd.					Accounts receivable	25	<p>1. Mrs. Sutasanee Kamasuta and Mrs. Sutheera Phutharee, the younger sisters of Mr. Polpat Kamasuta, are the authorized directors and the shareholders of East Bangkok Assets Co., Ltd., while Mr. Polpat Kamasuta holds the position of Chief Executive Officer.</p> <p>2. The main business of East Bangkok Assets Co., Ltd. is real estate development business. There are two projects handled and constructed by the company. The first one is "De Ville" project located at Soi Pattana Chumchon, Sri Nakharin Road and the other project is called "De Siam" located at Soi Chaloemphrakiat Ror 9, Intersection No. 38.</p> <p>3. In The fourth quarter of 2009, East Bangkok Assets Co., Ltd. transferred the land of "De Siam" project in amount of 34.5 Million Baht as a partial repayment of its debt to the Company.</p> <p>4. As of December 31, 2023, shareholders of East Bangkok Assets Co., Ltd. consisted of:</p> <p>Mrs. Sutasanee Kamasuta      399,998 shares,</p> <p>Mrs. Sutheera Phutharee      1 share,</p> <p>Mrs. Benja Yiemphu      1 share</p> <p>(Please see additional notes at end of the table)</p>
					<u>Less Allowance for expected credit loss</u>	<u>(25)</u>	
					Accounts payable	0	
						<0.5	

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
11. New Decade Co., Ltd.	Revenue from sales, rentals and services	<0.5	-	<0.5	Accounts receivable	87		1. Mrs. Sutasanee Karnasuta, the younger sister of Mr. Polpat Karnasuta, is an authorized director of New Decade Co., Ltd., while Mr. Polpat Karnasuta holds the position of Chief Executive Officer.
	Cost of construction and services	<0.5	1	1	<u>Less</u> Allowance for expected credit loss	(87)		2. Mrs. Sutheera Phutharee, the younger sister of Mr. Polpat Karnasuta, is an authorized director and a shareholder of New Decade Co., Ltd.
	Other revenues	-	<0.5	-	Accounts payable	0		3. The main business of New Decade Co., Ltd. is construction business, with works subcontracted from the Company for the construction of a bridge at KohYor and the construction of road, Chonburi- Pattaya Route, Section 3. Since some construction materials for executing those projects could not be purchased under good conditions and at reasonable prices, they were purchased from the Company instead.

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023		Remark
					Transaction in the balance sheet	Amount	
							4. As of December 31, 2023, shareholders of New Decade Co., Ltd. comprised of: Mrs. Sutheera Phutharee 220,000 shares, Mr. Wasin Phutharee 10,000 shares, Mr. Satta Chavarit 10,000 shares, Mr. Kantarit Tamanruksat 20,000 shares, Mr. Rangsak Boontaem 10,000 shares, Mr. Kasemsuk Paisansrisin 20,000 shares, Ms. Aurathip Muangchareon 10,000 shares (Please see additional notes at end of the table)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
12. Mana Patanakarn Co., Ltd.	Interest income	-	<0.5	1		Accounts receivable	<0.5	<p>1. Mana Patanakarn Company Limited was established as a registered company on April 5, 2013, with a registered capital of 200 Million Baht. As at December 31, 2023, the paid-up capital was equal to 1,100 Million Baht. The Company made 100 percent investment in this company.</p> <p>2. The main businesses of Mana Patanakarn Co., Ltd. are real estate business and construction of condominiums. The projects handled are:</p> <p>A. "Baranee Park Romklao" on Romklao Road, Bangkok</p> <p>B. "Baranee Residence" on Rangsit Klong 3 Road, Pratumthani</p> <p>C. "ASPEN CONDO" Condominium in Soi Lasalle, Sukhumvit Road (Soi 105)</p> <p>D. "Baranee Bliss" Rangsit-Klong 3 has started selling the project in the third quarter of 2023.</p> <p>E. "Baranee Bliss" (Rangsit-Wongwaen), Rangsit-Nakhon Nayok (Klong 5 section) is expected to open for sale in the first quarter of 2024.</p>
	Management expenses	1	1	1		<u>Less</u> Allowance for expected credit loss	( <u>&lt;0.5</u> )	
	Revenue from sales, rentals and services	<0.5	-	1		Other payable	<u>0</u> 5	
	Other revenues	<0.5	1	-		Investment in subsidiary companies	1,100	
	Construction costs	9	9	9				

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023		Remark
					Transaction in the balance sheet	Amount	
13. Advance Prefab Co., Ltd.	Interest income	11	10	10	Accounts receivable	953	1. Advance Prefab Co., Ltd. was established as a registered company on December 12, 2013, with a registered capital of 1 Million Baht. As at December 31, 2023, the paid-up capital was equal to 400 Million Baht. The Company made 100 percent investment in this company. 2. The main business of Advance Prefab Co., Ltd. is a manufacture of concrete products. 3. The loan interest rate is referred to MLR of Siam Commercial Bank PLC.
	Construction revenue	78	50	42	<u>Less</u> Allowance for expected credit loss	<u>(75)</u> <u>878</u>	
	Revenue from sales, rentals and services	121	192	111	Accrued interest income	10	
	Gain from disposal of assets	<0.5	<0.5	-	Current portion of short-term loan	12	
	Other revenues	6	4	3	Accounts payables and other payable	13	
	Construction costs	47	28	25	Net current Portion of Long-term Loan	152	
					<u>Less</u> Allowance for expected credit loss	( <u>&lt;0.5</u> )	
					Investment in subsidiary companies	151 400	

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
14. Bua Co., Ltd.	Cost of sales and services	<0.5	<0.5	<0.5				1. Mr. Polpat Karnasuta who holds the position of Chief Executive Officer, is an authorized director and the shareholder of Bua Co., Ltd. 2. The main business of Bua Co., Ltd. is restaurant business. 3. This transaction initiates from oversea employment.
15. Taste Maker Co., Ltd.	Cost of sales and services	<0.5	<0.5	-	Other payable		<0.5	1. Taste Maker Co., Ltd. was established as a registered company on November 17, 2016, with the registered capital of 5 Million Baht.
	Interest income	<0.5	<0.5	<0.5	Other receivable		<0.5	As at December 31, 2023, the company had paid-up capital of 80 Million Baht. The Company made 99 percent investment in this company.
	Revenue from sales, rentals and services	<0.5	1	1	Investment in subsidiary companies		80	
	Management cost	-	<0.5	<0.5				2. The main businesses of Taste Maker Co., Ltd. are restaurant business and sale of processed food.
	Impairment of financial assets	<0.5	(<0.5)	(<0.5)				

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023		Remark
					Transaction in the balance sheet	Amount	
16. NTA Joint Venture	Revenue from sales, rentals and services	14	27	35	Contract liabilities	14	The Company in cooperation with Therdthai and Co. Co., Ltd. and A.S. Associated Engineering (1994) Co., Ltd. formed a joint venture with an investment proportion of 34, 33, and 33 percent respectively. The purpose of this joint venture is to participate in the Department of Highways (DOH) bidding for Elevated Highway construction on Route No.35: Thon Buri – Pak Tho (Rama II road) Bang Khun Tien Conjunction – Baan Paew, Phase 1 Bangkok, with the value of 3,733.08 Million Baht (excluding VAT). The construction period will be 1,080 days (commencing on August 28, 2019 and ending on August 11, 2022). The contract has been extended until October 1, 2023. The company obtained additional works with 900 days construction period.
	Other revenues	6	6	6			
	Dividend income	15	-	-			

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023		Remark
					Transaction in the balance sheet	Amount	
17. NCREC Joint Venture	Construction revenue	-	-	3	Accounts receivable	10	The Company in cooperation with China Railway Number 10 (Thailand) Co., Ltd. formed a joint venture with investment proportion of 51 and 49 percent respectively. The purpose of this joint venture is to participate in the Office of the National Water Resources bidding for the construction of office building at Bang Talat, Pakkred, Nonthaburi, with the project value of 669.58 Million Baht (excluding VAT). The construction period will be 540 days (commencing on October 16, 2021 and ending on April 7, 2023).
	Revenue from project management	<0.5	3	2			
	Other revenue	2	2	2			

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Remark
Transaction in the balance sheet						
18. TN Joint Venture	Construction revenue	314	214	329	Contract asset	197
	Other revenue	10	<0.5	4	Contract liability	98
	Interest income	17	6	-	Other payable	<0.5
	Revenue from sales, rentals and services	200	-	-	Accrued interest	3
					Loan receivable	215
					Accounts receivable	<0.5
The Company in cooperation with Thanomwongse Service Co., Ltd. formed a joint venture with an investment proportion of 48 and 52 percent respectively. The purpose of this joint venture is to participate in the Airport of Thailand Public Company Limited bidding for the construction of 3rd runway, taxiway D extension, and perimeter taxiway at Suvarnabhumi International Airport, with the project value of 9,078 Million Baht (excluding VAT). The construction period will be 1,050 days (commencing on September 28, 2020 and ending on August 15, 2023). The contract has been extended until July 6, 2024						

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
19. TN- CEI Joint Venture	Construction revenue	2	27	22		Contract asset	14	The Company in cooperation with Thanomwongse Service Co., Ltd. formed a joint venture
	Other revenue	-	-	<0.5		Contract liability	5	with investment proportion of 41:59 percent
						Deposit receivable	2	respectively. The purpose of this joint venture is to participate in the construction project of parallel taxiway system at the north side and maintenance taxiway at the end of apron, including taxiway A and B for Mae Fa Luang Airport at Chiang Rai, with the project value of 630 Million Baht (excluding VAT). The construction period will be 660 days (commencing on October 4, 2021 and ending on July 26, 2023). The contract has been extended until May 4, 2024.
							9	
20. NWR-AVP Joint Venture	Construction revenue	12	11	24		Contract liability	27	The Company in cooperation with Advance Prefab Company Limited formed a joint venture with investment proportion of 59 and 41 percent respectively. The purpose of this joint venture is to participate in the construction project of the connected way to connect the skywalk between Chulabhorn Hospital and Lak Si Station with a total contract value of 222.64 Million Baht (excluding VAT). The construction period will be 240 days commencing on April 26, 2021 ended on December 21, 2021, was extended to January 30, 2022. The project is now completed.
	Revenue from sales and services	<0.5	2	8		Other payable	<0.5	
	Other revenue	<0.5	2	<0.5				
	Construction costs	-	2	-				

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
21. CAN Joint Venture	Other revenue	25	14	2		Contract liabilities Accounts receivable	12 5	The Company in cooperation with A.S Associated Engineering (1964) Company Limited and China State Construction Engineering Corporation Limited formed a joint venture with investment proportion of 30, 30 and 40 percent respectively. The purpose of this joint venture is to participate in the construction of cooperation project between the government of the Kingdom of Thailand and the government of the People's Republic of China for the development of high-speed rail systems to connect regions Bangkok- Nong Khai with a total contract value of 10,771.36 Million Baht (excluding VAT). The construction period will be 1,080 days (commencing on June 18, 2021 and ending on June 2, 2024).
22. ITD-NWR Joint Venture	Construction revenue Other revenues	58 <0.5	110 -	1 -		Accounts receivable Contract asset Contract liability	<0.5 126 83	The Company in cooperation with Italian-Thai Development Public Company Limited formed a joint venture with investment proportion of 30 and 70 percent respectively. The purpose of this joint venture is to participate in the construction project of drainage tunnel for Khlong Prem Prachakorn from Khlong Bang Bua to the Chao Phraya River with a total contract value of 7,694.72 Million Baht (excluding VAT). The construction period will be 1,800 days (commencing on September 9, 2021 and ending on August 13, 2026).

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
23. ItalianThai - Nawarat Joint Venture	Construction revenue	62	247	73		Accounts receivable	112	The Company in cooperation with Italian-Thai Development Public Company Limited formed a joint venture with investment proportion of 50 and 50 percent respectively. The purpose of this joint venture is to participate in the construction project of a water transmission tunnel along the Ratchapruk Road, from Klong Mahasawat to Petchkasem Road with a total contract value of 3,751.68 Million Baht (excluding VAT). The construction period will be 1,095 days (commencing on September 8, 2021 and ending on September 7, 2024).
	Other revenue	-	1	1		Contract asset	179	
						Contract liability	123	
24. NTH Joint Venture	Construction revenue	110	175	<0.5		Accounts receivable	116	The Company in cooperation with Thai Slurry Seal Co., LTD. and Hatyai Rueang Chai Construction formed a joint venture with investment proportion of 53: 23.50:23.50 percent respectively. The purpose of this joint venture is to participate in the construction project of the extension of the runway with the airport electrical system and other components at Trang Airport Million Baht (excluding VAT). The construction period will be 1,095 days (commenced on September 24, 2021 and ending on January 5, 2025), was extended to October 12, 2025.
	Other revenue	<0.5	<0.5	<0.5		Contract asset	120	
						Contract liability	32	
						Deposit	10	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023		Remark
					Transaction in the balance sheet	Amount	
25. ITD-Nawarat Joint Venture	Other revenue	0.5	<0.5	-	Accounts receivable	3	The Company in cooperation with Italian-Thai Development Public Company Limited formed a joint venture with investment proportion of 10.45 : 89.55 percent respectively. The purpose of this joint venture is to participate in the construction of Track Doubling Project: Den Chai - Chiang Rai - Chiang Khong Section, Contract 1: Den Chai to Ngao Section with a total contract value of 24,822.43 Million Baht (excluding VAT). The construction period will be 2,160 days (commencing on February 15, 2022 and ending on January 14, 2028).
	Revenue from sale of assets			-			
	Revenue from sales, rentals and services	<0.5	<0.5				
		1	-	-			

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2023	Amount in 2022	Amount in 2021	Balance as at December 31, 2023	Transaction in the balance sheet	Amount	Remark
26. ITD- NWR MRT Joint Venture (40)	Other revenue	80	<0.5	-		Accounts receivable	4	The Company in cooperation with Italian-Thai Development Public Company Limited formed a joint venture with investment proportion of 40 : 60 percent respectively. The purpose of this joint venture is to participate in the construction of Purple Line Tao Poon - Rat Burana (Kanchanaphisek Ring Road), contract No. 3, design and construction of tunnels and underground stations, Phanfa - Phra Phutthayotfa Bridge, with the project value of 15,109 Million Baht (excluding VAT). The construction period will be 2,005 days (commencing on April 25, 2022 and ending on October 21, 2027).
	Construction revenue	17	1	-		Short-tern loan	555	
	Revenue from project management	64	9	-		Accrued interest payable	26	
	Interest payable	31	5	-				
27. NT Joint Venture	Other revenue	3	1	-		Accounts receivable	<0.5	The Company in cooperation with Thanomwongse Service Co., Ltd. formed a joint venture with investment proportion of 51 : 49 percent respectively. The purpose of this joint venture is to participate in ground improvement work at the 2nd midfield satellite apron, Suvarnabhumi Airport, Nong Prue sub-district, Bang Phli district, Samut Prakan province, with a project value of 3,080 Million Baht (excluding VAT). The construction period will be 900 days (commencing on September 1, 2022 and ending on February 16, 2025).
	Revenue from project management	28	-	-		Accounts payable	8	
	Interest income	3	-	-		Contract liability	32	
	Rental revenue	<0.5	-	-				

Summary of Related Party Loans and Advances (Unit: Million Baht)

Person / Juristic person (receivable)	Balances of loans, advances and accrued interest income as of the final date					
	As at December 31, 2023		As at December 31, 2022		As at December 31, 2021	
	Loan principal	Accrued interest income	Loan principal	Accrued interest income	Loan principal	Accrued interest income
1. Myanmar NWR Company Limited	96	41	92	36	85	31
2. Nawarat (Cambodia) Company Limited	147	-	150	-	146	-
3. Advance Prefab Co., Ltd.	164	10	176	18	188	25
4. Mana Patanakarn Co., Ltd.	-	-	-	-	16	<0.5
5. Taste Maker Co., Ltd.	-	-	7	<0.5	9	<0.5
6. ITD-Nawarat Joint Venture	-	-	-	-	<0.5	-
7. TN Joint Venture	240	3	200	2	-	-
8. NT Joint Venture	-	-	3	-	-	-

## Movement of Related Party Loans and Advances (Unit: Million Baht) (only principal)

Person / Juristic person (receivable)	Balance as at December 31, 2021	Increased amount during 2022	Decreased amount during 2022	Balance as at December 31, 2022	Increased amount during 2023	Decreased amount during 2023	Balance as at December 31, 2023
1. Myanmar NWR Company Limited	85	7	-	92	4	-	96
2. Nawarat (Cambodia) Company Limited	146	4	-	150	-	3	147
3. Advance Prefab Co., Ltd.	188	-	12	176	-	12	164
4. Mana Patanakarn Co., Ltd.	16	-	16	-	-	-	-
5. Taste Maker Co., Ltd.	9	-	2	7	-	7	-
6. ITD-Nawarat Joint Venture	<0.5	-	<0.5	-	-	-	-
7. TN Joint Venture	-	200	-	200	40	-	240
8. NT Joint Venture	-	3	-	3	-	3	-

#### Additional Notes Concerning Related Parties

##### 1. Ruen Rapee Co., Ltd. ("Ruen Rapee")

Ruen Rapee Co., Ltd. was established on February 6, 2003. Currently, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phutharee are directors and shareholders; they are younger sisters of Mr. Polpat Karnasuta, Chief Executive Officer of Nawarat Patanakarn Public Company Limited.

Ruen Rapee conducts the real estate business and the project called "Barn Baranee" Project located at Klong3, Rangsit. The project consists of 205 units of detached houses on the area approximately 56 rai with the selling price range between 2.5 and 3.5 Million Baht. The Company has undertaken the construction of the buildings and the utility systems for Ruen Rapee.

Summary of related transactions between Nawarat Patanakarn Public Company Limited and Ruen Rapee Company Limited (Unit: Million Baht)

Transactions	As of 31-12-23	As of 31-12-22	As of 31-12-21	As of 31-12-20	As of 31-12-19	As of 31-12-18	As of 31-12-17	As of 31-12-16	As of 31-12-15	As of 31-12-14
Accounts Receivable	41	41	41	41	41	41	41	41	41	45
Less Allowance for doubtful accounts	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(45)

#### Guidelines for Tackling Unpaid Debts

In the third quarter of 2008, Ruen Rapee transferred its assets comprising 12 houses and title deeds of "Barn Baranee" project which is equal to 24,505 Million Baht to partially repay its debt to the Company and also, during the second quarter of 2009, it transferred another 24 houses together with title deeds and 22 deeds of vacant plots which equal to 57,480 Million Baht for repayment of its outstanding debts. Thus, the total amount of the transferred houses and 58 title deeds were transferred for debt repayment equal to 81,985 Million Baht.

(Note: In the third quarter of 2008, the amount of assets transferred was 39,073 Million Baht; however, after value reappraisal, it was found that the forced sale value was only 24,505 Million Baht. Thus, the difference price of 14,568 Million Baht was deducted from the second assets transfer. Therefore, the amount of the second assets transfer equaled 57,480 Million Baht deducted by the difference price resulting in the asset value of 42,912 Million Baht for the second quarter of 2009.)

Ruen Rapee will repay the total outstanding debts by installment repayment, according to its business's net cash flow.

## 2. East Bangkok Assets Co., Ltd. (“East Bangkok”)

East Bangkok was established on May 12, 2003. Currently, the younger sisters of Mr. Polpat Karnasuta, the Chief Executive Officer of Nawarat Patanakarn Public Company Limited, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuththaree are directors and shareholders of the company.

East Bangkok has operated the business of real estate with its 2 projects in progress as follows:

1. The project called “**De Ville**” is located at Soi Patana Chumchon, Srinakarin Road. The project consists of 50 units of detached houses in which the Company is undertaking utility system works for East Bangkok.
2. The project called “**De Siam**” is located at Soi Chalermprakiet Ror Kao, Soi 38, the project consists of 80 townhomes in which the Company is constructing the buildings and the utility system works.

Summary of Transactions between Nawarat Patanakarn Public Company Limited and East Bangkok Assets Co., Ltd. (Unit: Million Baht)

Transactions	As of 31-12-23	As of 31-12-22	As of 31-12-21	As of 31-12-20	As of 31-12-19	As of 31-12-18	As of 31-12-17	As of 31-12-16	As of 31-12-15	As of 31-12-14
Accounts Receivable	25	25	25	25	26	26	26	26	26	26
Less Allowance for doubtful accounts	(25)	25	25	(25)	(26)	(26)	(26)	(26)	(26)	(26)
Account Payable	-	<0.5	<0.5	<0.5	<0.5	-	<0.5	-	-	-

### Guidelines for Tackling Outstanding Debts

In the fourth quarter of 2009, East Bangkok transferred its assets to repay the debts, by transferring 50 plots of land at “De Siam” which is equal to 34,500 Million Baht.

(Note: The Company was responsible for the transfer fee of 1,203 Million Baht; thus, the value of land recorded by the Company was equal to 35,703 Million Baht)

East Bangkok will repay the outstanding debts by installment payment, according to its business's net cash flow.

### 3. New Decade Co., Ltd. ("New Decade")

New Decade was established on May 6, 2003. Currently, the younger sisters of Mr. Polpat Karnasuta, the Chief Executive Officer of Nawarat Patanakarn Public Company Limited, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phutharee are directors. Mrs. Sutheera Phutharee is also a shareholder of New Decade.

In 2003, New Decade undertook the construction of the bridge at KohYoh in Songkhla province, as a subcontractor. During that time, the Company was in its third year of operation under the rehabilitation plan (from the end of 2000 until 2005) in which it became so tough for the Company to apply for financial support and supply itself with enough working capital for various operations; this also includes 50% personnel reduction. However, to maintain the Company's market share, it was necessary to subcontract the then-award-ed works such as the above-mentioned work. This is under the agreement that the purchase of the main materials had to be made with the Company for the sake of quality control. However, in early 2004, prices of construction materials rapidly went up, especially steel and cement which became highly expensive. The rising of oil prices in the world market was as high resulting in much higher construction costs. This made New Decade face loss and put a hold on its payments for materials and machine rentals, which was supposed to be made to the Company.

#### Summary of Related Transactions between Nawarat Patanakarn Public Company Limited and New Decade Co., Ltd. (Unit: Million Baht)

Transactions	As of 31-12-23	As of 31-12-22	As of 31-12-21	As of 31-12-20	As of 31-12-19	As of 31-12-18	As of 31-12-17	As of 31-12-16	As of 31-12-15	As of 31-12-14
Accounts Receivable	87	87	89	89	92	92	95	101	98	109
Less Allowance for doubtful accounts	(87)	(87)	(89)	(88)	(90)	(90)	(90)	(95)	(95)	(90)
Account Payable	2	1	2	1	3	1	4	8	2	8

## Guidelines for Tackling Unpaid Debts

After estimating New Decade's expenses and incomes to further estimate its debt repayment to the Company, it can be concluded as follows:

1. New Decade would attend bidding sessions held by both the Government and private sectors; however, if its qualifications were considered not met with the requirements of any session then the bidding would take in the form of a joint venture instead in order to earn enough income for debt repayment. In November 2016, a joint venture between New Decade and Nawarat Patanakarn Public Company Limited was registered in order to increase the chance of bidding. Moreover, New Decade joined Samcon Company Limited and worked on the purchase and installation of equipment and machinery at the Waste Transfer Station (new system) at Saimai Waste Disposal Center, with a project value of 735 Million Baht. The project was run under the name "Samcon-New Decade Joint Venture" and completed in March 2011. During the project operation, New Decade agreed to repay the debt by installment repayment in accordance with the net cash flow (not less than 200,000 Baht per month).
2. New Decade would contact renowned contractors with a solid financial status to seek for subcontracted works of construction, which is also technically beneficial, and is regarded as enhancing the competency of New Decade for future work opportunities.
3. New Decade is going to take on the role of a consultant for construction projects both locally and internationally.

## 9.4.2 Related Party Transaction Policy and Trend

### Loan policy for Joint Ventures to be implemented in the future

The Company will grant loans only when deemed necessary and will base the loan interest rate on the market rate. In this regard, the shareholders' meeting No. 1/1997 held on April 29, 1997 considered approving related-party transactions with regard to the practice of granting and receiving financial support, which is the Company's practice as shown in the details below:

Since the Company's and the related parties' financial management is collectively as one for the utmost benefit and effectiveness in terms of liquidity and for more ability to negotiate with financial institutions, the Company has set up guidelines for providing financial support to related parties which are divided into 3 groups as follows:

1. The group of Joint-Venture companies in which Nawarat Patanakarn Public Company Limited co-invests at the rate of less than 90%.
2. The group of co-invested companies in which Nawarat Patanakarn Public Company Limited invests at the rate of less than 90%.
3. The group of companies falling into Group 1 and 2 above which will make an investment in the future.

The granting of loans takes forms of promissory notes, loan guarantees as well as other financial burdens with returns disbursed at the interest rate close to that offered to premier customers at leading commercial banks, but only for the transaction size which is not higher than 25 percent of the overall assets according to the consolidated financial statement figures in each quarter starting from April 1997 until there is any change.

### Future Construction Policy Established for Related Parties

If employed to perform works of another company in the same group whether it be construction of factories, office buildings, or construction for the company that operates on the real estate development project, the project price must be as at an appropriate market price with reasonable profits and not incurring too much cost to the employer.

### Operation Policy in Case of Tendering with The Company's Affiliate and Related Parties

The Company's Independent Director would appoint an independent engineer to verify the drawing and the construction value in order to report it to the Company's Board of Directors (including Independent Directors) immediately after the bidding and also make his comments on the annual report.

### Summary of Related Party Transactions

1. In case of trading transactions, the price of employment shall be that of the market price equaling to the one offered to the external third party as a general trading business practice. For the sale of products, the price shall be the same price as one offered to the outside customers. As for the related party Transactions, there shall be contracts with all details similar to those entered into with the third party in an ordinary business.

2. In the case of a related party loan, the interest rate charged shall be in accordance with the cost of funds or as determined in the contract. The interest rate charged shall not be in accordance with the market rate because the cost of funds should be firstly considered, without consideration of the rate used in any general businesses. In this regard, the Company considers that if the loan interest rate is defined according to the market rate it is not fair and unreasonable. Because it is possible that the cost of a loan may be higher than the market rate; thus, it is more appropriate to consider the cost of funds. Likewise, if the cost of fund is low, the Company would compare it with MLR (Minimum Loan Rate) and MOR (Minimum Overdraft Rate) of commercial banks and consider granting loan with the interest rate at MLR or MOR. In addition, the Company would grant loans to other businesses in the form of related party transactions only if such businesses have shown their reasons and necessities for taking such loan. The Company would not consider granting any loan if it is not for operating the business, and the loan needs to produce utmost benefit to the Company as well.

3. The collection of debts from accounts receivable in subsidiary companies, joint venture companies and related parties would be performed in the same way as same as general accounts receivable.

The Audit Committee has stated its opinion that the Company has properly complied with the regulations of the Stock Exchange of Thailand, by disclosing the related party transaction in financial statement and following the principle of Stock Exchange of Thailand since the transactions occurred.

## Report of the Board of Directors on Responsibilities towards the Financial Report

The Board of Directors takes accountability for the consolidated financial statements of the Company, including information disclosed in this annual report. The aforementioned financial statements have been prepared in accordance with generally accepted and consistently practiced the accounting standards by selecting appropriate accounting policies, together with careful discretion and best estimation. All materialized information has been sufficiently disclosed in the notes of financial statements. The Board of Directors, furthermore, provides:

- Internal control system which responsible by the Internal Audit Division who report directly to the Audit Committee, in order to ensure its independence from the management's domination.
- Practical guideline of good corporate governance for the Directors, executives and employees to adhere to.
- Proper and effective risk management system to reduce causes of each potential damages to the Company, to ensure that the preparation of financial and accounting statements is accurate, complete, and sufficient for maintaining the assets and preventing fraud.

The Board of Directors appointed the Audit Committee to reviewing the Accounting Policy and reviewing an accuracy of financial reports as well as internal control system and internal audit.

Further information is disclosed in the report of the Internal Audit in this annual report. Moreover, the Company's financial statements have been audited by the Certified Public Accountant (CPA) of EY Office Limited, in which within this report, the opinion of the CPA is represented in the independent auditors' report.

In the view of the Board of Directors, the Company's overall internal control system is satisfactory and reasonably assured that the financial statements of Nawarat Patanakarn Public Company Limited, its subsidiaries and joint ventures ended 31st December 2023 are reliable and in compliance with laws and relevant regulations.

**Mr. Prasertphand Pipatanakul**  
Chairman

Nawarat Patanakarn Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2023

## **Independent Auditor's Report**

To the Shareholders of Nawarat Patanakarn Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Nawarat Patanakarn Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nawarat Patanakarn Public Company Limited and its subsidiaries and of Nawarat Patanakarn Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

## **Key Audit Matter**

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This 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 this matter.

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

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

### **Recognition of revenue from construction**

The Group has disclosed its policies on recognition of revenue from construction and estimates of construction costs in Note 5 and Note 6 to the consolidated financial statements. I identified revenue recognition to be an area of significant risk in the audit. This is because the amount of revenue that the Group recognises in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement and the determination of the appropriate timing of recognition are areas requiring management to exercise significant judgement to assess the percentage of completion. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction.

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

I also selected construction contracts made with major customers and randomly selected additional samples to

- Read the contracts to consider the conditions relating to recognition of revenue from construction.
- Inquire with the management about the terms of and risks associated with these contracts relevant to recognition of revenue from construction.

- Made enquiries of responsible executives, gained an understanding of the Group's procedures for assessing the percentage of completion and estimating costs of projects, examined estimates of project costs to the project budgets approved by the authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions. I checked actual costs to supporting documents and tested the calculation of the percentage of completion based on actual costs incurred.

In addition, I reviewed the rationale for the conclusion reached by the management as a result of comparison of the percentage of completion evaluated by the project management to the actual costs incurred, and obtained a letter of representation from the project management.

- Evaluated possible losses on projects assessed by the management through an analysis of the ratio of actual costs incurred to the estimated costs of projects, for each significant cost component.
- Examined accounting transactions related to recognition of revenue from construction that were recorded through journal vouchers, in order to detect possible irregularities.

### **Emphasis of Matters**

We draw attention to Notes 4 to the financial statements, the Company and its subsidiaries have changed policy of measurement of investment properties from cost method to fair value and measurement of land classified as property, plant, equipment from cost method to the revaluation method and the correction of errors in land that management founded in the current year, including the disclosure of the impact from policy changes. The Group has retrospectively adjusted the consolidated financial statements and the separate financial statements for the year ending 31 December 2022, shown as comparative information, to reflect the impact of these policy change adjustment. They also present the consolidated statement of financial position and the separate statement of financial position as of 1 January 2022, for comparison, using the same accounting policies. My opinion is not modified in respect of this matter.

### **Other Information**

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

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

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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

Poonnard Paocharoen  
Certified Public Accountant (Thailand) No. 5238

EY Office Limited  
Bangkok: 29 February 2024

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2023	31 December 2022	1 January 2022	31 December 2023	31 December 2022	1 January 2022
			(restated)			(restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	1,295,309,101	1,738,483,529	1,425,048,128	935,233,564	1,263,309,535	1,313,588,972
Trade and other receivables	9	1,512,920,950	1,460,692,706	1,244,450,409	1,989,771,485	1,962,076,706	1,534,449,783
Contract assets	10	7,665,907,553	8,565,025,657	7,088,982,822	7,392,796,616	8,264,013,266	6,801,788,749
Short-term loans and advances		144,800,000	1,410,470	-	124,800,000	1,410,470	-
Current portion of long-term loans	17	-	111,800,000	-	19,793,544	134,298,956	37,167,544
Inventories	11	1,282,671,347	1,602,971,695	1,537,475,331	1,036,376,535	1,347,226,224	1,326,278,553
Project development cost	12	1,167,167,487	1,057,353,431	1,069,140,698	14,484,587	14,484,587	14,484,587
Other current financial assets	13	6,613,420	6,542,301	6,511,467	6,613,420	6,542,301	6,511,467
Other current assets	14	2,036,047,141	2,050,122,237	1,476,792,561	2,078,430,834	2,040,697,367	1,469,130,829
<b>Total current assets</b>		<b>15,111,436,999</b>	<b>16,594,402,026</b>	<b>13,848,401,416</b>	<b>13,598,300,585</b>	<b>15,034,059,412</b>	<b>12,503,400,484</b>
<b>Non-current assets</b>							
Restricted bank deposits	15	209,401,256	190,557,002	184,547,782	130,214,472	115,152,070	109,770,274
Other non-current financial assets	16	10,746,978	10,746,978	10,746,978	10,746,978	10,746,978	10,746,978
Long-term loans, net of current portion	17	195,138,715	199,760,514	206,961,637	348,103,737	375,681,602	404,921,069
Investments in subsidiaries	18	-	-	-	1,713,326,766	1,713,326,766	1,713,326,766
Investments in associate	4, 19	231,446,100	239,172,500	223,214,626	-	-	-
Investment properties	4, 20	354,120,000	347,736,800	347,410,400	351,620,000	345,236,800	344,910,400
Property, plant and equipment	4, 21	2,095,473,199	1,900,854,504	1,695,475,558	1,295,665,816	1,273,175,761	1,022,019,667
Right-of-use assets	24	335,972,917	385,460,069	446,273,873	152,273,845	196,926,858	249,525,182
Deferred tax assets	4, 34	34,103,963	51,164,796	65,532,136	21,291,736	27,645,516	38,808,938
Other non-current assets		64,659,018	61,954,622	138,412,442	34,634,896	39,415,270	99,396,013
<b>Total non-current assets</b>		<b>3,531,062,146</b>	<b>3,387,407,785</b>	<b>3,318,575,432</b>	<b>4,057,878,246</b>	<b>4,097,307,621</b>	<b>3,993,425,287</b>
<b>Total assets</b>		<b>18,642,499,145</b>	<b>19,981,809,811</b>	<b>17,166,976,848</b>	<b>17,656,178,831</b>	<b>19,131,367,033</b>	<b>16,496,825,771</b>

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2023	31 December 2022	1 January 2022	31 December 2023	31 December 2022	1 January 2022
			(restated)			(restated)	
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Bank overdrafts and short-term loans							
from financial institutions	22	3,222,218,111	4,673,731,305	4,604,696,861	3,081,578,335	4,529,431,621	4,483,025,802
Trade and other payables	23	4,679,181,938	3,722,940,926	2,963,266,697	4,679,130,259	3,686,293,439	2,755,904,395
Contract liabilities	10	3,543,929,538	5,056,281,936	4,052,208,662	3,526,313,362	5,031,659,255	4,007,078,554
Current portion of lease liabilities	24	52,972,596	66,785,327	77,402,659	46,515,205	60,288,949	71,994,994
Current portion of long-term loans from banks	25	375,888,754	183,963,000	102,509,000	-	-	30,000,000
Current portion of long-term loans	26	13,750,000	22,500,000	32,000,000	-	-	-
Current portion of debentures	28	496,584,868	-	-	496,584,868	-	-
Short-term loans	27	238,164,468	270,986,814	160,129,185	236,729,468	269,486,814	158,579,185
Retention payables		826,223,816	613,292,972	491,577,259	834,576,625	617,027,110	471,979,232
Provision for construction project loss		25,343,811	30,700,737	64,372,941	25,343,811	30,700,737	64,372,941
Other current liabilities		254,217,887	225,110,711	316,567,089	164,816,914	130,783,916	150,952,904
<b>Total current liabilities</b>		<b>13,728,475,787</b>	<b>14,866,293,728</b>	<b>12,864,730,353</b>	<b>13,091,588,847</b>	<b>14,355,671,841</b>	<b>12,193,888,007</b>
<b>Non-current liabilities</b>							
Lease liabilities, net of current portion	24	198,581,792	183,373,539	214,165,023	74,951,436	59,398,460	87,265,433
Long-term loans from banks,							
net of current portion	25	1,948,388,752	1,360,124,000	1,369,720,000	1,858,664,752	1,195,000,000	1,195,000,000
Long-term loans, net of current portion	26	62,250,000	7,500,000	-	43,500,000	-	-
Debentures, net of current portion	28	407,786,864	492,806,967	-	407,786,864	492,806,967	-
Provision for long-term employee benefits	29	296,188,639	289,054,977	278,131,613	238,557,794	235,744,739	229,103,021
Deferred tax liabilities	34	25,186,547	6,262,248	-	-	-	-
Other non-current liabilities		4,411,091	4,826,243	3,341,226	3,786,620	2,489,727	2,489,727
<b>Total non-current liabilities</b>		<b>2,942,793,685</b>	<b>2,343,947,974</b>	<b>1,865,357,862</b>	<b>2,627,247,466</b>	<b>1,985,439,893</b>	<b>1,513,858,181</b>
<b>Total liabilities</b>		<b>16,671,269,472</b>	<b>17,210,241,702</b>	<b>14,730,088,215</b>	<b>15,718,836,313</b>	<b>16,341,111,734</b>	<b>13,707,746,188</b>

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

**Nawarat Patanakarn Public Company Limited and its subsidiaries**  
**Statement of financial position (continued)**  
**As at 31 December 2023**

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
	Note	31 December 2023	31 December 2022	1 January 2022	31 December 2023	31 December 2022	1 January 2022
			(restated)			(restated)	
Shareholders' equity							
Share capital							
Registered							
2,585,481,515 ordinary shares of Baht 1 each		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515
Issued and fully paid							
2,585,481,515 ordinary shares of Baht 1 each		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515
Premium on ordinary shares		968,944,135	968,944,135	968,944,135	968,944,135	968,944,135	968,944,135
Surplus from changes in ownership							
interests in a subsidiary		78,271,823	78,271,823	-	-	-	-
Retained earnings (deficits)							
Appropriated - statutory reserve	30	62,653,551	62,653,551	56,453,551	52,453,551	52,453,551	52,453,551
Unappropriated	4	(2,271,951,452)	(1,249,466,842)	(1,280,788,160)	(1,741,985,884)	(816,623,902)	(817,799,618)
Other components of shareholders' equity		202,860,636	6,326,046	5,843,319	72,449,201	-	-
Equity attributable to owners of the Company		1,626,260,208	2,452,210,228	2,335,934,360	1,937,342,518	2,790,255,299	2,789,079,583
Non-controlling interests of the subsidiary		344,969,465	319,357,881	100,954,273	-	-	-
Total shareholders' equity		1,971,229,673	2,771,568,109	2,436,888,633	1,937,342,518	2,790,255,299	2,789,079,583
Total liabilities and shareholders' equity		18,642,499,145	19,981,809,811	17,166,976,848	17,656,178,831	19,131,367,033	16,496,825,771
		-	-	-	-	-	-

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

Directors

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
			(restated)		(restated)
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from construction	31	10,365,468,754	11,970,715,018	9,734,180,888	11,281,109,523
Sales and service income	31	687,451,352	1,126,893,947	186,448,638	271,904,893
Other income	4	150,924,535	142,719,374	148,096,182	153,767,850
<b>Total revenues</b>		<b>11,203,844,641</b>	<b>13,240,328,339</b>	<b>10,068,725,708</b>	<b>11,706,782,266</b>
<b>Expenses</b>					
Cost of construction		10,379,414,809	11,302,691,169	9,938,665,067	10,805,690,790
Cost of sales and service		585,700,050	905,477,551	185,825,967	248,419,101
Selling and distribution expenses		81,554,024	83,793,349	-	-
Administrative expenses		649,283,790	566,010,681	433,536,804	351,209,806
Impairment loss on financial assets		100,088,487	18,591,395	109,085,874	43,897,361
<b>Total expenses</b>		<b>11,796,041,160</b>	<b>12,876,564,145</b>	<b>10,667,113,712</b>	<b>11,449,217,058</b>
<b>Operating profit (loss)</b>		<b>(592,196,519)</b>	<b>363,764,194</b>	<b>(598,388,004)</b>	<b>257,565,208</b>
Share of profit (loss) from investments in associates	19	(7,726,400)	15,957,874	-	-
Finance income		40,210,404	7,308,174	52,010,442	21,100,708
Finance cost	32	(394,841,998)	(283,732,552)	(372,275,359)	(257,409,818)
<b>Profit (loss) before income tax expenses</b>		<b>(954,554,513)</b>	<b>103,297,690</b>	<b>(918,652,921)</b>	<b>21,256,098</b>
Income tax expenses	4, 34	(25,702,371)	(37,915,331)	(6,709,061)	(20,080,382)
<b>Profit (loss) for the year</b>	4	<b>(980,256,884)</b>	<b>65,382,359</b>	<b>(925,361,982)</b>	<b>1,175,716</b>

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

**Nawarat Patanakarn Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2023**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
			(restated)		(restated)
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		137,385	482,727	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		137,385	482,727	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Surplus on revaluation of assets	21	245,496,506	-	90,561,501	-
Actuarial gain	29	(1,194,041)	469,776	-	-
Less: Income tax effect	34	(48,860,493)	(93,955)	(18,112,300)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		195,441,972	375,821	72,449,201	-
<b>Other comprehensive income for the year</b>		<b>195,579,357</b>	<b>858,548</b>	<b>72,449,201</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(784,677,527)</b>	<b>66,240,907</b>	<b>(852,912,781)</b>	<b>1,175,716</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(1,020,984,894)	37,359,715	(925,361,982)	1,175,716
Non-controlling interests of the subsidiary		40,728,010	28,022,644	-	-
		<b>(980,256,884)</b>	<b>65,382,359</b>		
		-	-		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(824,861,054)	38,004,045	(852,912,781)	1,175,716
Non-controlling interests of the subsidiary		40,183,527	28,236,862	-	-
		<b>(784,677,527)</b>	<b>66,240,907</b>		
		-	-		
<b>Basic earnings (loss) per share</b>	4, 35				
Profit (loss) attributable to equity holders of the Company		(0.3949)	0.0144	(0.3579)	0.0005
Weighted average number of ordinary shares (shares)		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515

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

Nawarat Patanakarn Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements											
	Equity attributable to owners of the Company						Other components of shareholders' equity					
							Other comprehensive income					
							Exchange differences					
	Issued and fully paid share capital	Premium on ordinary shares	Surplus from changes in ownership interests in a subsidiary	Retained earnings (deficits)	Unappropriated	Appropriated	in foreign currency	Surplus on revaluation of assets	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiary	Total shareholders' equity
<b>Balance as at 31 December 2021 - as previously reported</b>	2,585,481,515	988,944,135	-	(1,370,213,864)	5,843,319	-	-	-	5,843,319	2,246,508,656	100,954,273	2,347,462,929
Cumulative effect of change in accounting policy for investment properties and adjusted error (Note 4)	-	-	-	89,425,704	-	-	-	-	-	89,425,704	-	89,425,704
<b>Balance as at 31 December 2021 - as restated</b>	2,585,481,515	988,944,135	-	(1,280,788,160)	5,843,319	56,453,551	5,843,319	-	5,843,319	2,335,934,360	100,954,273	2,436,888,633
Profit for the year (restated)	-	-	-	37,359,715	-	-	-	-	-	37,359,715	28,022,644	65,382,359
Other comprehensive income for the year	-	-	-	161,603	-	-	482,727	-	482,727	644,330	214,218	858,548
Total comprehensive income for the year	-	-	-	37,521,318	-	-	482,727	-	482,727	38,004,045	28,236,862	66,240,907
Transfer to legal reserve	-	-	-	-	-	6,200,000	-	-	-	-	-	-
Change in ownership interests in a subsidiary (Note 18)	-	-	78,271,823	-	-	-	-	-	-	78,271,823	(78,271,823)	-
Capital increase of a subsidiary (Note 18)	-	-	-	-	-	-	-	-	-	-	281,338,584	281,338,584
Dividend paid by subsidiary (Note 18)	-	-	-	-	-	-	-	-	-	-	(12,900,015)	(12,900,015)
<b>Balance as at 31 December 2022 - as restated</b>	2,585,481,515	988,944,135	78,271,823	(1,249,466,842)	62,653,551	62,653,551	6,326,046	-	6,326,046	2,452,210,228	319,357,881	2,771,568,109
<b>Balance as at 31 December 2022 - as previously reported</b>	2,585,481,515	988,944,135	78,271,823	(1,339,253,667)	62,653,551	62,653,551	6,326,046	-	6,326,046	2,362,423,403	319,357,881	2,681,781,284
Cumulative effect of change in accounting policy for investment properties and adjusted error (Note 4)	-	-	-	89,786,825	-	-	-	-	-	89,786,825	-	89,786,825
<b>Balance as at 31 December 2022 - as restated</b>	2,585,481,515	988,944,135	78,271,823	(1,249,466,842)	62,653,551	62,653,551	6,326,046	-	6,326,046	2,452,210,228	319,357,881	2,771,568,109
Profit (loss) for the year	-	-	-	(1,020,984,894)	-	-	-	-	-	(1,020,984,894)	40,728,010	(980,256,884)
Other comprehensive income for the year	-	-	-	(1,499,716)	-	-	137,385	196,397,205	196,534,590	195,034,874	544,483	195,579,357
Total comprehensive income for the year	-	-	-	(1,022,484,610)	-	-	137,385	196,397,205	196,534,590	(825,950,020)	41,272,493	(784,677,527)
Dividend paid by subsidiary (Note 18)	-	-	-	-	-	-	-	-	-	-	(15,660,909)	(15,660,909)
<b>Balance as at 31 December 2023</b>	2,585,481,515	988,944,135	78,271,823	(2,271,951,452)	62,653,551	62,653,551	6,463,431	196,397,205	202,860,636	1,626,260,208	344,969,465	1,971,229,673

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

Nawarat Patanakarn Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 December 2023

	Separate financial statements						(Unit: Baht)
	Issued and fully paid share capital	Premium on ordinary shares	Other components of shareholders' equity				
			Other comprehensive income			Total other components of shareholders' equity	
			Retained earnings (deficits)	Surplus on revaluation of assets			
	Appropriated	Unappropriated					Total shareholders' equity
Balance as at 31 December 2021 - as previously reported	2,585,481,515	968,944,135	52,453,551	(893,023,275)	-	-	2,713,855,926
Cumulative effect of change in accounting policy for investment properties and adjusted error (Note 4)	-	-	-	75,223,657	-	-	75,223,657
Balance as at 31 December 2021 - as restated	2,585,481,515	968,944,135	52,453,551	(817,799,618)	-	-	2,789,079,583
Profit for the year	-	-	-	1,175,716	-	-	1,175,716
Other comprehensive income for the year	-	-	-	-	-	-	-
Balance as at 31 December 2022 - as restated	2,585,481,515	968,944,135	52,453,551	(816,623,902)	-	-	2,790,255,299
Balance as at 31 December 2022 - as previously reported	2,585,481,515	968,944,135	52,453,551	(892,108,679)	-	-	2,714,770,522
Cumulative effect of change in accounting policy for investment properties and adjusted error (Note 4)	-	-	-	75,484,777	-	-	75,484,777
Balance as at 31 December 2022 - as restated	2,585,481,515	968,944,135	52,453,551	(816,623,902)	-	-	2,790,255,299
Loss for the year	-	-	-	(925,361,982)	-	-	(925,361,982)
Total comprehensive income for the year	-	-	-	-	72,449,201	72,449,201	72,449,201
Balance as at 31 December 2023	2,585,481,515	968,944,135	52,453,551	(1,741,985,884)	72,449,201	72,449,201	1,937,342,518

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

**Nawarat Patanakarn Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2023**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022 (restated)	2023	2022 (restated)
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(954,554,513)	103,297,690	(918,652,921)	21,256,098
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	469,053,589	405,981,605	388,343,564	322,062,857
Gain from a fair value adjustment of investment properties	(6,383,200)	(451,401)	(6,383,200)	(326,400)
Impairment loss on financial assets	100,088,487	18,591,395	109,085,874	43,897,361
Reduction of inventory to net realisable value (reversal)	(943,240)	5,988,706	3,486	(2,099,103)
Loss on write-off withholding tax	5,146,288	204,199	4,898,388	98,639
Share of (profit) loss from investments in associates	7,726,400	(15,957,874)	-	-
Gain on fair value adjustments of other current financial assets	(71,119)	(29,752)	(71,119)	(29,752)
Loss (gain) on disposal and write-off equipment	23,901,851	(17,302,876)	25,613,306	(17,574,593)
Reversal in allowance for loss on impairment of fixed assets	(21,238,733)	(16,037,443)	(21,238,733)	(15,161,126)
Unrealised loss (gain) on exchange	(475,508)	(949,194)	2,814,886	(8,761,238)
Increase in provision for long-term employee benefits	27,049,507	24,994,353	20,278,342	19,153,459
Reversal in provision for construction project loss	(5,356,926)	(33,672,205)	(5,356,926)	(33,672,205)
Amortisation of deferred debenture issuing cost	5,629,421	524,911	5,629,421	524,911
Dividend income	-	-	(11,842,191)	(19,349,985)
Finance income	(40,210,404)	(7,308,174)	(52,010,442)	(21,100,708)
Finance cost	394,841,998	283,732,552	372,275,359	257,409,818
Profit (loss) from operating activities before changes in operating assets and liabilities	4,203,898	751,606,492	(86,612,906)	546,328,033

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

**Nawarat Patanakarn Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2023**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022	2023	2022
		(restated)		(restated)
Operating assets decrease (increase)				
Trade and other receivables	(28,004,963)	(276,333,292)	(5,722,919)	(491,451,191)
Contract assets	801,622,794	(1,476,042,834)	773,721,341	(1,462,224,518)
Inventories	321,243,588	(71,485,069)	310,846,203	(18,848,568)
Project development cost	(97,796,456)	16,524,717	-	-
Other current assets	164,326,881	(617,493,301)	120,162,178	(627,500,598)
Other non-current assets	388,108	59,211,235	5,245,005	59,980,743
Operating liabilities increase (decrease)				
Trade and other payables	912,676,557	754,126,961	992,602,233	925,083,263
Contract liabilities	(1,512,352,398)	1,004,073,274	(1,505,345,893)	1,024,580,702
Other current liabilities	20,329,205	(88,387,535)	36,563,408	(21,639,002)
Retention payables	212,930,844	121,715,714	217,549,515	145,047,878
Other non-current liabilities	(1,371,492)	845,985	1,296,897	-
Payment of long-term employee benefits	(19,915,845)	(13,713,823)	(17,465,287)	(12,511,741)
Cash from operating activities	778,280,721	164,648,524	842,839,775	66,845,001
Cash paid for interest expenses	(389,955,334)	(265,713,088)	(364,008,852)	(242,406,168)
Cash paid for income tax expenses	(207,688,300)	(268,407,938)	(191,047,242)	(232,647,579)
Income tax refund	19,160,284	309,139,951	6,790,577	281,036,054
<b>Net cash from (used in) operating activities</b>	<b>199,797,371</b>	<b>(60,332,551)</b>	<b>294,574,258</b>	<b>(127,172,692)</b>
<b>Cash flows from investing activities</b>				
Increase in other current financial assets	-	(1,082)	-	(1,082)
Increase in short-term loans and advances	(97,600,000)	(1,410,470)	(86,757,983)	(10,750,118)
Cash received from short term loan and advances	50,410,470	-	52,296,673	-
Increase in restricted bank deposits	(18,844,254)	(6,009,220)	(15,062,402)	(5,381,796)
Cash received from long-term loans	15,600,000	-	41,905,957	37,938,544
Cash paid for long-term loans	-	(111,800,000)	-	(111,800,000)
Proceeds from disposal of equipment	20,857,299	26,236,803	17,996,460	25,612,632
Acquisition of equipment	(315,088,299)	(498,260,288)	(227,800,361)	(473,447,875)
Dividend income	-	-	11,842,191	19,349,985
Interest income	18,491,253	56,958,089	26,882,234	65,098,012
<b>Net cash used in investing activities</b>	<b>(326,173,531)</b>	<b>(534,286,168)</b>	<b>(178,697,231)</b>	<b>(453,381,698)</b>

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

**Nawarat Patanakarn Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2023**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2023	2022 (restated)	2023	2022 (restated)
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions, net	(1,451,513,194)	69,034,444	(1,447,853,286)	46,405,819
Cash received from short-term loans	330,998,233	185,642,329	234,998,234	185,642,329
Repayment of short-term loans	(283,332,175)	(78,273,996)	(229,267,175)	(78,223,996)
Repayment of liabilities under lease agreements	(87,553,438)	(99,410,009)	(72,930,867)	(85,831,255)
Cash received from long-term loans from unrelated party	25,500,000	30,000,000	1,500,000	-
Repayment of long-term loans from unrelated party	(21,500,000)	(32,000,000)	-	-
Cash received from long-term loans from banks	929,481,752	240,028,000	663,664,752	-
Repayment of long-term loans from banks	(149,291,246)	(168,170,000)	-	(30,000,000)
Net cash received from issuance of debentures	405,935,344	492,282,056	405,935,344	492,282,056
Capital increase of a subsidiary	-	281,338,584	-	-
Dividend paid by subsidiary to non-controlling interests	(15,660,929)	(12,900,015)	-	-
<b>Net cash from (used in) financing activities</b>	<b>(316,935,653)</b>	<b>907,571,393</b>	<b>(443,952,998)</b>	<b>530,274,953</b>
<b>Increase in translation adjustment</b>	<b>137,385</b>	<b>482,727</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(443,174,428)</b>	<b>313,435,401</b>	<b>(328,075,971)</b>	<b>(50,279,437)</b>
Cash and cash equivalents at beginning of year	1,738,483,529	1,425,048,128	1,263,309,535	1,313,588,972
<b>Cash and cash equivalents at end of year</b>	<b>1,295,309,101</b>	<b>1,738,483,529</b>	<b>935,233,564</b>	<b>1,263,309,535</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Increase in right-of-use assets and lease liabilities from				
additional lease agreements	77,120,744	45,057,941	70,189,774	40,049,665
Reclassify short-term loan to long-term loan	42,000,000	-	42,000,000	-
Reclassify long-term loan to short-term loan	96,200,000	-	96,200,000	-
Transfer right-of-use assets to property, plant				
and equipment	73,316,723	48,404,815	72,950,085	46,488,418
Capitalised interest as a part of project development cost	12,017,600	4,737,450	-	-

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2023

#### 1. General information

Nawarat Patanakarn Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of construction services and its registered office is at 2/3, Bangna Towers A, 18<sup>th</sup>-19<sup>th</sup> Floor, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn.

#### 2. Basis of preparation

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

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

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

#### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Nawarat Patanakarn Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”) as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 Percent	2022 Percent
Utilities Business Alliance Public Company Limited	Water and wastewater utility management service	Thailand	43	43
Mana Development Company Limited	Property development	Thailand	100	100
Advance Prefab Company Limited	Manufacture and distribution of concrete products	Thailand	100	100
Tastemaker Company Limited	Restaurant and distribution of processed food	Thailand	99	99
NWR (Cambodia) Company Limited	Constructions consulting services	Cambodia	100	100
Nawarat (Cambodia) Company Limited	Construction	Cambodia	100	100
Myanmar NWR Company Limited	Construction	Union of Myanmar	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associate presented under the cost method.

- 2.4 The Group has interests in joint operations which are joint arrangements whereby the Group has rights to assets and obligations relating to the joint arrangements. The Group recognises assets, liabilities, revenues and expenses in relation to its interest in the joint operations in the consolidated and separate financial statements from the date that joint control commences until the date that joint control ceases. Details of the joint operations are as follows:

Name of entity	Nature of business	Country of incorporation	Interest in joint operations	
			2023	2022
			Percent	Percent
<b><u>The Company entered into joint operations</u></b>				
<b><u>with other companies</u></b>				
Nawarat - A.S. Associated Joint Venture	Construction	Thailand	70	70
A.S. - Nawarat Joint Venture	Construction	Thailand	50	50
NTA Joint Venture	Construction	Thailand	34	34
TN Joint Venture	Construction	Thailand	48	48
TN-CEI Joint Venture	Construction	Thailand	49	49
Italianthai-Nawarat Joint Venture	Construction	Thailand	50	50
ITD-NWR Joint Venture	Construction	Thailand	30	30
ITD-Nawarat Joint Venture	Construction	Thailand	10.45	10.45
NTH Joint Venture	Construction	Thailand	53	53
ITD-NWR MRT Joint Venture	Construction	Thailand	40	40
NT Joint Venture	Construction	Thailand	51	51
<b><u>The Company entered into joint operations</u></b>				
<b><u>with its subsidiary</u></b>				
NWR-AVP Joint Venture	Construction	Thailand	100	100
<b><u>The subsidiary entered into joint operations</u></b>				
<b><u>with other company</u></b>				
Nawarat Advance Prefab Myanmar Company Limited	Manufacture and distribution of concrete products	Union of Myanmar	70	70

Financial information of the joint operations, in proportion to the interest of the Group, are presented include in the consolidated and separate financial statement as below.

Summarised information about financial position as at 31 December 2023 and 2022.

Consolidated financial statements													(Unit: Million Baht)
Nawarat - A.S.													
Associated Joint Venture		A.S. - Nawarat Joint Venture		NTA Joint Venture		TN Joint Venture		TN-CEI Joint Venture		NWR-APV Joint Venture			
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
2	2	1	1	62	118	822	894	65	91	16	51		
-	-	-	-	2	2	4	-	2	-	2	1		
6	6	12	10	32	79	809	887	60	88	71	92		
-	-	-	-	-	-	-	-	-	-	-	-		
(4)	(4)	(11)	(9)	32	41	15	7	7	3	(53)	(40)		
Current assets													
Non-current assets													
Current liabilities													
Non-current liabilities													
Venturers' equity													

Consolidated financial statements													(Unit: Million Baht)
Italianthai-Nawarat													
Joint Venture		ITD-Nawarat Joint Venture		NTH Joint Venture		Prefab Myanmar Company Limited		ITD-NWR MRT Joint Venture		NT Joint Venture			
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
585	622	374	356	232	229	12	12	1,248	971	403	148		
2	3	189	182	-	-	9	11	37	23	4	-		
585	622	401	537	226	226	32	32	1,254	990	390	150		
-	-	165	2	-	-	-	-	2	3	-	-		
2	3	(3)	(1)	6	3	(12)	(9)	29	1	17	(2)		
Current assets													
Non-current assets													
Current liabilities													
Non-current liabilities													
Venturers' equity													

(Unit: Million Baht)

Separate financial statements												
Nawarat - A.S.												
	Associated Joint Venture		A.S. - Nawarat Joint Venture		NTA Joint Venture		TN Joint Venture		TN-CEI Joint Venture		NWR-AVP Joint Venture	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Current assets	2	2	1	1	62	118	822	894	65	91	16	51
Non-current assets	-	-	-	-	2	2	4	-	2	-	2	1
Current liabilities	6	6	12	10	32	79	809	887	60	88	71	92
Non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Venturers' equity	(4)	(4)	(11)	(9)	32	41	15	7	7	3	(53)	(40)

(Unit: Million Baht)

Separate financial statements												
Italianthai-Nawarat												
	Nawarat Joint Venture		ITD-NWR Joint Venture		ITD-Nawarat Joint Venture		NTH Joint Venture		ITD-NWR MRT Joint Venture		NT Joint Venture	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Current assets	585	622	374	356	330	264	232	229	1,248	971	403	148
Non-current assets	2	3	189	182	2	-	-	-	37	23	4	-
Current liabilities	585	622	401	537	327	263	226	226	1,254	990	390	150
Non-current liabilities	-	-	165	2	-	-	-	-	2	3	-	-
Venturers' equity	2	3	(3)	(1)	5	1	6	3	29	1	17	(2)

Summarised information about comprehensive income for the years ended 31 December 2023 and 2022.

(Unit: Million Baht)

Consolidated financial statements													
Nawarat - A.S.													
Associated		A.S. - Nawarat		NTA		TN		TN-CEI		NWR-AVP			
Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture			
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
-	-	-	-	189	337	1,425	1,397	90	106	14	129		
-	-	(2)	(2)	6	14	9	1	3	4	(13)	(43)		
-	-	-	-	-	-	-	-	-	-	-	-		
-	-	(2)	(2)	6	14	9	1	3	4	(13)	(43)		

(Unit: Million Baht)

Consolidated financial statements													
Italianthai-Nawarat		Nawarat Advance											
Joint Venture		ITD-NWR		ITD-Nawarat Joint Venture		NTH		Prefab Myanmar Company Limited		ITD-NWR MRT		NT	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
209	383	120	129	114	38	217	188	12	9	443	102	758	1
-	5	(2)	3	4	1	4	4	(2)	(10)	29	-	19	(2)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	5	(2)	3	4	1	4	4	(2)	(10)	29	-	19	(2)

Separate financial statements												(Unit: Million Baht)
ItalianThai-Nawarat		ITD-NWR		ITD-Nawarat		NTH		ITD-NWR MRT		NT		
Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
209	383	120	129	114	38	217	188	443	102	758	1	
-	5	(2)	3	4	1	4	4	29	-	19	(2)	
-	-	-	-	-	-	-	-	-	-	-	-	
-	5	(2)	3	4	1	4	4	29	-	19	(2)	

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

### **4. Changes in accounting policies and adjustment due to error**

The Board of Directors of the Group had considered and approved the changes in the accounting policy for 2023 including adjusted error, and revised both the consolidated financial statements and the separate financial statements retrospectively as follow;

- Changed the measurement of the investment properties from cost model to fair value model in accordance with Thai Accounting Standards: Investment Property (TAS 40) to reflect the fair value of investment properties by retrospectively and has restated the comparatives presented (Full retrospective approach).
- Changed the measurement subsequent to initial recognition of land classified as property, plant and equipment from cost model to revaluation model. The change of this policy is to reflect the land's appropriate value and has been effective in this year. Therefore, the consolidated financial statements and separate financial statements for the year ended 31 December 2023 have additional presented and disclosure.

- Retrospective restated the consolidated financial statements and the separate financial statements for the year ended 31 December 2022 and opening balance of assets, liabilities and equity for the earliest period presented due to the error of incorrectly recorded the land.

#### 4.1 Adjustments from the changes in accounting policy in the investment properties and error

The adjustments in each line items in the consolidated statement of financial position, consolidated statement of comprehensive income, changes in shareholders' equity and the separate financial statements of the Company from changing in accounting policies and the adjustment due to error as follows;

Consolidated financial statements				
		Adjustments		
		Impact of change		
Balance as at	in accounting	Impact of	Balance as at	
31 December	policy of	adjustment due	31 December	
2021	investment	to error	2021	
- as reported	property		- restated	
(Unit: Thousand Baht)				
<b>Non-current assets</b>				
Investments in associate	207,962	15,253	-	223,215
Investment properties	182,694	164,716	-	347,410
Property, plant and equipment	1,753,076	-	(57,600)	1,695,476
Deferred tax assets	98,475	(32,943)	-	65,532
<b>Shareholders' equity</b>				
Unappropriated retained earnings (deficits)	(1,370,214)	147,026	(57,600)	(1,280,788)

**Consolidated financial statements**

	<b>Adjustments</b>		
	<b>Impact of change</b>		
	<b>Balance as at</b>	<b>in accounting</b>	<b>Balance as at</b>
	<b>31 December</b>	<b>policy of</b>	<b>31 December</b>
	<b>2022</b>	<b>investment</b>	<b>2022</b>
	<b>- as reported</b>	<b>property</b>	<b>- restated</b>

(Unit: Thousand Baht)

**Non-current assets**

Investments in associate	223,919	15,253	-	239,172
Investment properties	182,569	165,168	-	347,737
Property, plant and equipment	1,958,455	-	(57,600)	1,900,855
Deferred tax assets	84,198	(33,033)	-	51,165

**Shareholders' equity**

Unappropriated retained earnings (deficits)	(1,339,254)	147,388	(57,600)	(1,249,466)
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**Consolidated financial statements**

	<b>Adjustments</b>	
	<b>Impact of change in</b>	
	<b>Balance as at</b>	<b>Balance as at</b>
	<b>31 December 2022</b>	<b>31 December 2022</b>
	<b>- as reported</b>	<b>- restated</b>

(Unit: Thousand Baht)

**Statement of comprehensive income**

Net gain from a fair value adjustment	-	451	451
Income tax expenses	(37,825)	(90)	(37,915)
Net profit	65,021	361	65,382
Profit attributable to equity holders of the Company (Baht per share)	0.0143	0.0001	0.0144

Separate financial statements				
		Adjustments		
		Impact of		
		change in		
Balance as at		accounting		Balance as at
31 December		policy of	Impact of	31 December
2021		investment	adjustment due	2021
- as reported		property	to error	- restated
(Unit: Thousand Baht)				
<b>Non-current assets</b>				
Investment properties	178,881	166,029	-	344,910
Property, plant and equipment	1,079,620	-	(57,600)	1,022,020
Deferred tax assets	72,015	(33,206)	-	38,809
<b>Shareholders' equity</b>				
Unappropriated retained				
earnings (deficits)	(893,023)	132,823	(57,600)	(817,800)

Separate financial statements				
		Adjustments		
		Impact of		
		change in		
Balance as at		accounting		Balance as at
31 December		policy of	Impact of	31 December
2022		investment	adjustment due	2022
- as reported		property	to error	- restated
(Unit: Thousand Baht)				
<b>Non-current assets</b>				
Investment properties	178,881	166,356	-	345,237
Property, plant and equipment	1,330,776	-	(57,600)	1,273,176
Deferred tax assets	60,917	(33,271)	-	27,646
<b>Shareholders' equity</b>				
Unappropriated retained				
earnings (deficits)	(892,109)	133,085	(57,600)	(816,624)

	Separate financial statements		
	Adjustments		
	Impact of change in		
Balance as at	accounting policy of		Balance as at
31 December 2022	investment		31 December 2022
- as reported	property		- restated
(Unit: Thousand Baht)			
Statement of comprehensive income			
Net gain from a fair value adjustment	-	327	327
Income tax expenses	(20,015)	(65)	(20,080)
Net profit	915	261	1,176
Profit attributable to equity holders of the			
Company (Baht per share)	0.0004	0.0001	0.0005

#### 4.2 Adjustments from the changes in accounting policy of land classified as property, plant and equipment.

The adjustments in each line items in the consolidated statement of financial position, consolidated statement of comprehensive income and the separate financial statements of the Company from changing in accounting policy of land classified as property, plant and equipment as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Statement of financial position</b>		
<b>Assets</b>		
Increase in property, plant and equipment	245,500	90,561
Decrease in deferred tax assets	(49,100)	(18,112)
<b>Shareholders' equity</b>		
Other components of shareholders' equity		
Increase in change in revaluation surplus - net of income tax	196,400	72,449
<b>Statement of comprehensive income</b>		
<b>Comprehensive income:</b>		
Increase in surplus on revaluation of assets	245,500	90,561
Effect from income tax	(49,100)	(18,112)

## **5. Significant accounting policies**

### **5.1 Revenues and expense recognition**

#### **Revenues from construction contracts**

The Group determines that their construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, which is based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

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

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

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

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

#### **Revenue from sales of real estate**

Revenue from sales of land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership/delivery of the goods. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented as the part of “Contract liabilities” in the statement of financial position.

**Sales of goods**

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

**Rendering of services**

Service income is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

**Interest income**

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

**Dividends**

Dividends are recognised when the right to receive the dividends is established.

**Cost of real estate sales**

In determining the costs of land and houses sold and cost of residential condominium units sold, the total development costs are attributed to land and houses and residential condominium units on the basis of the saleable area.

Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the house or residential condominium unit and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

**Finance cost**

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

## **5.2 Balances of contracts with customers**

### *Contract assets*

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the expected losses that may be incurred. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to customer).

### *Contract liabilities*

A contract liability is the excess of the billings to date over the cumulative revenue earned and the Group have the obligation to transfer goods and services to a customer. Contract liabilities are recognised as revenue when the Group fulfil their performance obligations under the contracts.

## **5.3 Cash and cash equivalents**

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

## **5.4 Inventories**

Finished goods and works in process are valued at the lower of cost (first-in, first-out method) and net realisable value. This cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

## **5.5 Project development cost**

Real estate development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses.

The Group recognises losses on diminution in value of projects (if any) in profit or loss.

## **5.6 Investments in subsidiaries and associate**

Investments in associate are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

## 5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

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

## 5.8 Property, plant and equipment and depreciation

Land is stated at revalued amount. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment (except for some of equipment, calculated by using production unit method) is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvements	5 - 10 years
Building, constructions and improvement	5 - 30 years
Tools, machinery and equipment	2 - 10 years
Office equipment, furniture and fixtures	4 - 10 years
Motor vehicles	5 - 15 years

Depreciation is included in determining income.

No depreciation is provided on land and constructions in progress.

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

## 5.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or development of projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings (if any). To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

## 5.10 Leases

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

### **The Group as a lessee**

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

### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

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

Land	5 - 30	years
Buildings	2 - 8	years
Machinery and equipment	4 - 5	years
Furniture, fixtures and office equipment	3 - 5	years
Motor vehicles	5 - 10	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

### ***Short-term leases and leases of low-value assets***

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

### ***The Group as a lessor***

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

## **5.11 Related party transactions**

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

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

## 5.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

## 5.13 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

## 5.14 Employee benefits

### ***Short-term employee benefits***

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

### ***Post-employment benefits and other long-term employee benefits***

#### ***Defined contribution plans***

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

#### ***Defined benefit plans and other long-term employee benefits***

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan. In addition, a subsidiary provides other long-term benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

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

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

### **5.15 Provisions**

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

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

### **5.16 Income tax**

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

#### **Current tax**

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

#### **Deferred tax**

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

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

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

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

## **5.17 Financial instruments**

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

### **Classification and measurement of financial assets**

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

#### ***Financial assets at amortised cost***

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

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

#### ***Financial assets at FVTPL***

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

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

## **Classification and measurement of financial liabilities**

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

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade accounts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

### **Offsetting of financial instruments**

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

## **5.18 Fair value measurement**

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

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

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

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

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

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

## 6. Significant accounting judgements and estimates

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

### Construction contracts

The Group recognises revenue from construction contracts over time. To the satisfaction of the performance obligation, the management determines the stage of completion by using an input method based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion of the construction. The significant judgements are required in determining the extent of the contract costs incurred for work performed to the end of period, the estimated total construction cost due to delay in delivery or contractual penalties. In making these judgements, the Group evaluates based on past experience, historical information and information from the project engineers or relying on the work of specialists (if any).

### Estimated construction project costs

The Group estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion of service, including forecasts of any changes. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### Leases

#### *Determining the lease term with extension and termination options - The Group as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### *Estimating the incremental borrowing rate - The Group as a lessee*

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **Allowance for expected credit losses of trade accounts receivable and contract assets**

In determining an allowance for expected credit losses of trade accounts receivable and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Joint arrangements**

In determining the type of joint arrangement in which the Group is involved, the management applies judgement when assessing whether a joint arrangement is a joint operation or a joint venture by considering rights and obligations of the Group arising from the arrangement. The management assesses the rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

### **Plant and equipment/Depreciation**

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

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

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## **Provision for losses on construction projects**

The management applies judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

## **Consolidation of subsidiaries that the Company holds less than half of shares**

The management of the Company determined that the Company has control over Utilities Business Alliance Public Company Limited, even though the Company holds 43 percent of shares and voting rights that is less than half of shares and voting rights. This is because the Company is a major shareholder and has the ability to direct the significant activities, while other shareholders consisted of former business partner and minor shareholders. As a result, UBA is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

## **7. Related party transactions**

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

### Business transactions

### Pricing and lending policy

Revenues from construction,

sales and service

Mutually agreed price with comparison to market price

Cost of construction, sales and service

Mutually agreed price with comparison to market price

Rental income

Contract price

Management income

Contract price

Interest income

Interest rates at 5.00 and MLR percent per annum  
(2022: 5.00 and MLR percent per annum)

Interest expenses

Interest rates at 6.90 and MLR percent per annum  
(2022: 4.25 and MLR percent per annum)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b><u>Transactions with subsidiaries</u></b>				
(eliminated from the consolidated financial statements)				
Revenues from construction, sales and service	-	-	162	208
Cost of construction, sales and service	-	-	262	254
Rental income	-	-	38	42
Interest income	-	-	16	10
<b><u>Transactions with related parties</u></b>				
Revenues from construction, sales and service	486	375	315	206
Management income	23	19	23	19
Rental income	9	3	9	3
Interest income	11	4	11	4

As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b><u>Trade and other receivables - related parties</u></b>				
Subsidiaries	-	-	932,681	822,357
Joint arrangements	212,391	63,074	111,094	33,371
Related companies (related by common shareholders)	154,500	154,627	154,500	154,627
Related companies (related by common directors)	2,122	371	1,822	371
Related party (director of the Group)	-	2	-	-
Total	369,013	218,074	1,200,097	1,010,726
Less: Allowance for expected credit losses	(153,556)	(152,176)	(228,498)	(212,701)
<b>Total trade receivables - related parties, net</b>	<b>215,457</b>	<b>65,898</b>	<b>971,599</b>	<b>798,025</b>
<b><u>Contract assets - related parties</u></b>				
Joint arrangements	169,945	210,202	139,367	170,672
Less: Allowance for expected credit losses	(2,481)	(2,481)	(2,481)	(2,481)
<b>Total contract assets - related parties, net</b>	<b>167,464</b>	<b>207,721</b>	<b>136,886</b>	<b>168,191</b>
<b><u>Short-term loans and advances to related parties</u></b>				
Subsidiaries	-	-	284,079	279,622
Associate	20,000	-	-	-
Joint arrangements	124,800	1,410	124,800	1,410
Less: Allowance for expected credit losses	-	-	(284,079)	(279,622)
<b>Total short-term loans and advances to related parties, net</b>	<b>144,800</b>	<b>1,410</b>	<b>124,800</b>	<b>1,410</b>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b><u>Long-term loans to related parties</u></b>				
Subsidiaries	-	-	173,114	199,420
Joint arrangements	-	111,800	-	111,800
Total	-	111,800	173,114	311,220
Less: Allowance for expected credit losses	-	-	(356)	(1,000)
<b>Total long-term loans to related parties, net</b>	<b>-</b>	<b>111,800</b>	<b>172,758</b>	<b>310,220</b>
<b><u>Trade and other payables - related parties</u></b>				
Subsidiaries	-	-	226,632	134,458
Joint arrangements	9,763	5,359	9,763	32,728
Related companies (related by common shareholders)	2,100	1,092	2,100	1,092
Related companies (related by common directors)	482	125	100	100
Related party (director of the Group)	1,410	1,439	159	234
<b>Total trade and other payables - related parties</b>	<b>13,755</b>	<b>8,015</b>	<b>238,754</b>	<b>168,612</b>
<b><u>Contract liabilities - related parties</u></b>				
Joint arrangements	68,513	134,214	64,733	121,609
<b>Total contract liabilities - related parties</b>	<b>68,513</b>	<b>134,214</b>	<b>64,733</b>	<b>121,609</b>
<b><u>Short-term loans from related parties</u></b>				
Related party (member of the same family as that of the Company's director)	-	12,000	-	12,000
Related party (director of the subsidiary)	1,435	1,500	-	-
<b>Total short-term loans from related parties</b>	<b>1,435</b>	<b>13,500</b>	<b>-</b>	<b>12,000</b>
<b><u>Long-term loans from related parties</u></b>				
Related party (member of the same family as that of the Company's director)	12,000	-	12,000	-
<b>Total long-term loans from related parties</b>	<b>12,000</b>	<b>-</b>	<b>12,000</b>	<b>-</b>
<b><u>Retention payable - related parties</u></b>				
Subsidiary	-	-	26,812	16,675
Related company (related by common directors)	415	1,156	-	-
<b>Total retention payable - related parties</b>	<b>415</b>	<b>1,156</b>	<b>26,812</b>	<b>16,675</b>

## **Short-term loans and advances to related parties**

As at 31 December 2023 and 2022, the balance of short-term loans and advances between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loans and advances	Related by	Balance as at 31 December 2022	Increase during the year	Decrease during the year	Balance as at 31 December 2023
NT Joint Venture	Joint arrangement	1,410	49,000	(50,410)	-
TN Joint Venture	Joint arrangement	-	124,800*	-	124,800
C.I.N. Estate Company Limited	Associate	-	20,000	-	20,000
<b>Total</b>		<b>1,410</b>	<b>193,800</b>	<b>(50,410)</b>	<b>144,800</b>

(Unit: Thousand Baht)

		Separate financial statements				
Short-term loans and advances	Related by	Balance as at 31 December 2022	Increase during the year	Decrease during the year	Unrealised loss on exchange	Balance as at 31 December 2023
Myanmar NWR Company Limited	Subsidiary company	128,829	9,158	-	(1,399)	136,588
Nawarat (Cambodia) Company Limited	Subsidiary company	150,793	-	(1,886)	(1,416)	147,491
NT Joint Venture	Joint arrangement	1,410	49,000	(50,410)	-	-
TN Joint Venture	Joint arrangement	-	124,800*	-	-	124,800
Total		281,032	182,958	(52,296)	(2,815)	408,879
Less: Allowance for expected credit losses		(279,622)				(284,079)
<b>Net</b>		<b>1,410</b>				<b>124,800</b>

\*During the years, the Company reclassify long-term loan to short-term loan amounting to Baht 96.2 million.

The loan to Myanmar NWR Company Limited carries interest at the rate of 5 percent per annum. The loan is unsecured and repayable on demand.

The loan to TN Joint Venture carries interest at the rate of MLR per annum and unsecured. The loan principle is to be repaid within 31 December 2023.

The loan to C.I.N. Estate Company Limited carries interest at the rate of MOR per annum. The loan is unsecured and repayable on demand.

The movement in the allowance for expected credit losses of short-term loans and advances are as follows:

(Unit: Thousand Baht)		
Separate financial statements		
	2023	2022
Beginning balance	279,622	261,521
Increase in allowance for expected credit losses	7,272	9,340
Foreign exchange difference	(2,815)	8,761
Ending balance	284,079	279,622

The significant increase in the allowance for expected credit losses of short-term loans and advances during the year, it was the result from Myanmar NWR Company Limited and Nawarat (Cambodia) Company Limited.

### Long-term loans to related parties

As at 31 December 2023 and 2022, the balance of long-term loans between the Company and related parties and the movement are as follows:

(Unit: Thousand Baht)					
Consolidated financial statements					
Long-term loans	Related by	Balance as at 31 December 2022	Increase during the year	Decrease during the year	Balance as at 31 December 2023
TN Joint Venture	Joint arrangement	111,800	-	(111,800)*	-
<b>Total</b>		<b>111,800</b>	<b>-</b>	<b>(111,800)</b>	<b>-</b>

(Unit: Thousand Baht)					
Separate financial statements					
Long-term loans	Related by	Balance as at 31 December 2022	Increase during the year	Decrease during the year	Balance as at 31 December 2023
Tastemaker Company Limited	Subsidiary company	6,554	-	(6,554)	-
Advance Prefab Company Limited	Subsidiary company	192,866	-	(19,752)	173,114
TN Joint Venture	Joint arrangement	111,800	-	(111,800)*	-
<b>Total</b>		<b>311,220</b>	<b>-</b>	<b>(138,106)</b>	<b>173,114</b>
Less: Allowance for expected credit losses		(1,000)			(356)
Less: Current portion		(134,299)			(19,794)
<b>Net</b>		<b>175,921</b>			<b>152,964</b>

\* During the years, the Company reclassify long-term loan to short-term loan amounting to Baht 96.2 million.

#### Long-term loan to Tastemaker Company Limited

In 2022, The balance of loan to Tastemaker Company Limited comprised the outstanding loan principal amounting to Baht 7 million (2023: None). The loan principal is to be repaid within March 2030. The loan carries interest at the rate of MLR percent per annum and is unsecured.

#### Long-term loan to Advance Prefab Company Limited

The balance of loan to Advance Prefab Company Limited comprised the outstanding loan principal amounting to Baht 164 million (2022: Baht 176 million) and interest receivable amounting to Baht 9 million (2022: Baht 17 million). The loan principal is to be repaid within 30 April 2031. The loan carries interest at the rate of MLR percent per annum and is unsecured. The outstanding interest receivable is to be repaid within 2025.

#### Long-term loan to TN Joint Venture

Loan to TN Joint Venture carried interest at the rate of MLR percent per annum and unsecured. Interest is repayable on a monthly basis from March 2022 and the loan principal is to be repaid within 31 December 2023.

As at 31 December 2023, The Company revised agreement loan to TN Joint Venture, The loan carries interest at the rate of MLR percent per annum. Interest is repayable on a monthly basis from January 2024 and the loan principal is to be repaid within 31 December 2024. As at 31 December 2023, the Company reclassify long-term loan to short-term loan.

#### Short-term loans from related parties

As at 31 December 2023 and 2022, the balance of short-term loans from related parties between the Group and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loans	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	31 December
		2022	the year	the year	2023
Related party	Members of the same family as				
	that of the Company's director	12,000	-	(12,000)*	-
Related party	Director of the subsidiary	1,500	-	(65)	1,435
<b>Total</b>		<b>13,500</b>	<b>-</b>	<b>(12,065)</b>	<b>1,435</b>

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	31 December
		2022	the year	the year	2023
Related party	Members of the same family as				
	that of the Company's director	12,000	-	(12,000)*	-
Advance Prefab					
Company Limited	Subsidiary	-	3,000	(3,000)	-
<b>Total</b>		<b>12,000</b>	<b>3,000</b>	<b>(12,000)</b>	<b>-</b>

\* During the years, the Company reclassify short-term loans to long-term loans.

Short-term loans from members of the same family as that of the Company's director carry interest at the rate of 4.25 percent per annum and to be repaid within September 2023. Subsequently, on 18 September 2023, the Company and that members of the same family as that of the Company's director entered into a new three loan agreements. Carrying interest at a rate of 6.90 percent per annum, with interest payable every three months and to be repaid within 18 September 2025. Therefore, as at 31 December 2023, the Company classified such short-term loans as long-term loans.

Short-term loan from director of subsidiary is an interest-free and due at call.

Short-term loan of joint arrangement from subsidiary carry interest at the rate of 8.00 percent per annum and fully repaid in December 2023.

### **Directors and management's benefits**

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	52	47	39	34
Post-employment benefits	2	2	2	1
<b>Total</b>	<b>54</b>	<b>49</b>	<b>41</b>	<b>35</b>

### **Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with its related parties, as described in Note 38.3 a) and b) to the consolidated financial statements.

## 8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash	18,181	33,237	14,738	29,009
Savings and current deposits				
at banks	1,275,177	1,678,947	918,545	1,210,980
Fixed deposits at banks with a				
maturity within 3 months	1,951	26,300	1,951	23,321
<b>Total cash and cash equivalents</b>	<b>1,295,309</b>	<b>1,738,484</b>	<b>935,234</b>	<b>1,263,310</b>

As at 31 December 2023, saving accounts and fixed deposits carried interests between 0.15 - 1.10 percent per annum (2022: between 0.10 - 0.40 percent per annum).

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	966,757	816,147	833,440	737,217
Past due				
Up to 3 months	175,136	412,655	69,265	297,873
3 - 6 months	37,113	123,226	10,442	101,345
6 - 12 months	26,142	15,187	15,445	9,083
Over 12 months	164,792	153,958	160,312	151,295
Total	1,369,940	1,521,173	1,088,904	1,296,813
Less: Allowance for expected credit losses	(141,401)	(170,105)	(132,389)	(169,850)
Net	1,228,539	1,351,068	956,515	1,126,963
<u>Trade accounts receivable - unrelated parties,</u>				
<u>    long past due and during legal action</u>				
Aged on the basis of due dates				
Past due over 12 months	103,378	103,378	103,378	103,378
Less: Allowance for expected credit losses	(103,378)	(103,378)	(103,378)	(103,378)
Net	-	-	-	-
Total trade accounts receivable - unrelated parties, net	1,228,539	1,351,068	956,515	1,126,963

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	23,712	13,502	44,332	23,575
Past due				
Up to 3 months	66,135	22,459	58,857	60,167
3 - 6 months	41,291	23,513	27,858	73,711
6 - 12 months	15,760	861	154,829	154,801
Over 12 months	168,824	155,206	860,137	692,936
Total	315,722	215,541	1,146,013	1,005,190
Less: Allowance for expected credit losses	(153,556)	(152,176)	(228,496)	(212,701)
Total trade accounts receivable - related parties, net	162,166	63,365	917,517	792,489
<u>Other receivables</u>				
Accrued income - unrelated parties	65,201	42,426	58,567	35,723
Accrued income - related parties	47,175	-	47,175	-
Accrued interest - related parties	6,116	2,533	6,909	5,536
Others	11,207	1,301	10,573	1,366
Total	129,699	46,260	123,224	42,625
Less: Allowance for expected credit losses	(7,483)	-	(7,485)	-
Total other receivables, net	122,216	46,260	115,739	42,625
<b>Total trade and other receivables, net</b>	<b>1,512,921</b>	<b>1,460,693</b>	<b>1,989,771</b>	<b>1,926,077</b>

The Group has transferred the rights of claim over collections for work done under certain construction agreements to financial institutions to secure the credit facilities of the Group granted by the financial institutions.

The normal credit term is 30 to 90 days.

The movement in the allowance for expected credit losses of trade and other receivables are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning balance	425,659	1,067,961	485,929	1,118,845
Increase (decrease) in provision for				
expected credit losses	(19,841)	9,133	(14,181)	18,519
Write - off	-	(651,435)	-	(651,435)
Ending balance	405,818	425,659	471,748	485,929

The significant decrease in allowance for expected credit losses was mainly due to decreasing in default rate of trade accounts receivable by rolling credit rate.

During the year 2022, the Company write-off trade receivables amounting to Baht 651 million as the judgment of the Supreme Court. However, the Company had fully set up the provision for expected credit losses of such receivables.

#### 10. Contract assets/Contract liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Contract assets</b>				
Unbilled receivables - unrelated parties	6,327,691	7,413,848	6,301,711	7,409,522
Unbilled receivables - related parties	149,789	200,770	139,367	170,672
Accrued income - unrelated parties	81,391	92,260	-	-
Retention receivables - unrelated parties	1,186,858	851,197	1,051,696	686,300
Retention receivables - related parties	20,156	9,432	-	-
Total	7,765,885	8,567,507	7,492,774	8,266,494
Less: Allowance for expected credit losses	(99,977)	(2,481)	(99,977)	(2,481)
<b>Total contract assets - net</b>	<b>7,665,908</b>	<b>8,565,026</b>	<b>7,392,797</b>	<b>8,264,013</b>
<b>Contract liabilities</b>				
Advances received - construction, unrelated parties	3,406,488	4,892,364	3,392,651	4,880,346
Advances received - construction, related parties	43,347	87,902	39,567	75,297
Advances received from customers, unrelated parties	68,929	29,704	68,929	29,704
Advances received from customers, related parties	25,166	46,312	25,166	46,312
<b>Total contract liabilities</b>	<b>3,543,930</b>	<b>5,056,282</b>	<b>3,526,313</b>	<b>5,031,659</b>

As at 31 December 2023, the balance of unbilled receivables of Baht 6,473 million (2022: Baht 7,611 million) (Separate financial statements: Baht 6,437 million, 2022: Baht 7,576 million) is expected to be billed within one year and Baht 4 million (2022: Baht 4 million) (Separate financial statements: Baht 4 million, 2022: Baht 4 million) is expected to be billed after one year.

## 11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	234,350	176,400	(13,396)	(14,339)	220,954	162,061
Works in process	184,974	459,865	-	-	184,974	459,865
Raw materials and supplies	876,756	981,059	(13)	(13)	876,743	981,046
<b>Total</b>	<b>1,296,080</b>	<b>1,617,324</b>	<b>(13,409)</b>	<b>(14,352)</b>	<b>1,282,671</b>	<b>1,602,972</b>

(Unit: Thousand Baht)

	Separate financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	180,113	135,094	(7,139)	(7,142)	172,974	127,952
Works in process	168,076	451,004	-	-	168,076	451,004
Raw materials and supplies	695,340	768,283	(13)	(13)	695,327	768,270
<b>Total</b>	<b>1,043,529</b>	<b>1,354,381</b>	<b>(7,152)</b>	<b>(7,155)</b>	<b>1,036,377</b>	<b>1,347,226</b>

In 2022, the Group reduced cost of inventories by Baht 7 million (2023: None) (Separate financial statements: Baht 3 million, 2023: None), to reflect the net realisable value. This was included in cost of sales. In addition, there was reversed the write-down of cost of inventories by Baht 1 million (2023: Baht 1 million) (Separate financial statements: Baht 1 million, 2023: None), and reduced the amount of inventories recognised as expenses during the year.

## 12. Project development cost

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Land and construction under development	587,761	370,217	-	-
Developed land and construction	581,546	689,276	16,625	16,625
<b>Total</b>	<b>1,169,307</b>	<b>1,059,493</b>	<b>16,625</b>	<b>16,625</b>
Less: Allowance for loss on diminution in value of project	(2,140)	(2,140)	(2,140)	(2,140)
<b>Total project development cost - net</b>	<b>1,167,167</b>	<b>1,057,353</b>	<b>14,485</b>	<b>14,485</b>

As at 31 December 2023, the subsidiary had an outstanding balance of project development cost amounting to Baht 168 million (2022: Baht 181 million) which has been financed with loans from financial institutions.

During the current year, the subsidiary capitalised interest of approximately Baht 12.02 million (2022: Baht 4.74 million) (Separate financial statements: None, 2022: None), as part of project development cost. The capitalisation rate on project development cost is 4.50 - 6.30 percent (2022: 4.50 - 5.00 percent).

The subsidiary has mortgaged land and construction thereon of their development projects, as at 31 December 2023 totaling Baht 801 million (2022: Baht 454 million) as collateral for the loans of the subsidiary obtained from a financial institution.

### 13. Other current financial assets

As at 31 December 2023 and 2022, details of other current financial assets are as below.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2023	2022
<b>Debt instruments at amortised cost</b>		
Fixed deposit at banks	153	152
<b>Financial assets at FVTPL</b>		
Investment in debt instruments		
(unit trust in open-end mutual funds)	6,460	6,390
<b>Total other current financial assets</b>	<b>6,613</b>	<b>6,542</b>

### 14. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Withholding income tax	440,479	288,257	426,861	267,009
Advance payment to subcontracts	590,979	760,282	592,248	768,773
Advance payment for goods	245,338	200,960	324,028	226,573
Prepaid expenses	486,217	572,119	477,915	565,812
Value added tax refundable	74,173	89,393	72,409	84,125
Others	198,861	139,111	184,970	128,405
<b>Total other current assets</b>	<b>2,036,047</b>	<b>2,050,122</b>	<b>2,078,431</b>	<b>2,040,697</b>

## 15. Restricted bank deposits

The outstanding balances represent saving and fixed deposits accounts of the Group which have been pledged with banks to secure credit facilities and letter of guarantee facilities for use in respect of construction and bidding of projects.

## 16. Other non-current financial assets

As at 31 December 2023 and 2022, details of other non-current financial assets are as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Financial assets at FVTPL</b>				
<i>Non-listed equity instruments</i>				
Mission Success 2005 Company Limited	10,000	10,000	10,000	10,000
Fair value adjustments financial assets	747	747	747	747
	10,747	10,747	10,747	10,747
SG Star Properties Limited	35,762	35,762	35,762	35,762
Fair value adjustments financial assets	(35,762)	(35,762)	(35,762)	(35,762)
	-	-	-	-
Oriental Residence Bangkok Company Limited	10,000	10,000	10,000	10,000
Fair value adjustments financial assets	(10,000)	(10,000)	(10,000)	(10,000)
	-	-	-	-
<b>Total other non-current financial assets - net</b>	<b>10,747</b>	<b>10,747</b>	<b>10,747</b>	<b>10,747</b>

## 17. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Long-term loans	195,139	311,561	367,897	509,981
Less: Current portion due within one year	-	(111,800)	(19,793)	(134,299)
Long-term loans - net of current portion	195,139	199,761	348,104	375,682

As at 31 December 2023 and 2022, details of long-term loans are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Long-term loans to related parties	-	111,800	173,114	311,220
Less: Allowance for impairment	-	-	(356)	(1,000)
Net (Note 7)	-	111,800	172,758	310,220
Long-term loans to other joint operation	12,540	12,065	-	-
Less: Allowance for impairment	(12,540)	(12,065)	-	-
Net	-	-	-	-
Long-term loan to unrelated parties	298,131	298,131	298,131	298,131
Less: Allowance for impairment	(102,992)	(98,370)	(102,992)	(98,370)
Total	195,139	199,761	195,139	199,761
<b>Total long-term loans, net</b>	<b>195,139</b>	<b>311,561</b>	<b>367,897</b>	<b>509,981</b>

The outstanding balance of long-term loan to other joint operation represented a loan provided to the other joint operation by a subsidiary, carrying interest at a rate of 6.00 percent per annum and unsecured. The loan principal is repayable every three years in 8 installments, with the first installment due in 2021, and interest is payable annually from 2019. However, the subsidiary already recognises an allowance for impairment of such loan.

The above long-term loans to unrelated parties represented loans to two unrelated companies as followings:

- a) Loan to an unrelated party amounting to Baht 16 million, which the interest is charged at the rate of 7.12 percent per annum. The loan is unsecured and repayable within May 2026.
- b) Loan to another unrelated party amounting to Baht 282 million, which is the loan under the debt settlement in 2019. The Company negotiated a debt settlement with an unrelated trade account receivable that had an outstanding debt of Baht 299 million. This debtor agreed to settle an outstanding construction debt of Baht 282 million in installments. Therefore, the Company classified the outstanding debt of Baht 282 million as a long-term loan. In addition, the Company recognises an allowance for impairment of such loan amounting to Baht 103 million (2022: Baht 98 million). The Company's management believes that this allowance for impairment is adequate in the current circumstances and that loan will be recoverable in the future. At the present, the Company and the debtor are currently preparing a long-term loan agreement.

## 18. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		(Unit: Thousand Baht)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Utility Business Alliance												
Public Company Limited	Baht 300 million	Baht 300 million	43	43	133,266	133,266	-	-	133,266	133,266	11,842	19,350
Mana Development Company Limited												
	Baht 1,100 million	Baht 1,100 million	100	100	1,099,940	1,099,940	-	-	1,099,940	1,099,940	-	-
Advance Prefab Company Limited												
	Baht 400 million	Baht 400 million	100	100	400,000	400,000	-	-	400,000	400,000	-	-
Tastemaker Company Limited												
	Baht 79 million	Baht 79 million	99	99	79,950	79,950	-	-	79,950	79,950	-	-
NWR (Cambodia) Company Limited												
	USD 505	USD 505	100	100	17	17	(17)	(17)	-	-	-	-
Nawarat (Cambodia) Company Limited												
	USD 5,000	USD 5,000	100	100	171	171	-	-	171	171	-	-
Myanmar NWR Company Limited												
	Kyats 0.5 million	Kyats 0.5 million	100	100	3,013	3,013	(3,013)	(3,013)	-	-	-	-
<b>Total investments in subsidiaries - net</b>												
					<b>1,716,357</b>	<b>1,716,357</b>	<b>(3,030)</b>	<b>(3,030)</b>	<b>1,713,327</b>	<b>1,713,327</b>	<b>11,842</b>	<b>19,350</b>

### Investment in Utility Business Alliance Public Company Limited

On 15 March 2022, the Annual General Meeting of Utility Business Alliance Company Limited, passed the following resolutions:

- Approved the payment of a dividend of Baht 0.25 per share, a total of Baht 5.4 million, of which Baht 3.2 million and Baht 2.2 million is payable to the Company and non-controlling interests, respectively.
- Approved the setting aside of Baht 2.7 million to the statutory reserve.
- Approved a change in status from a limited company to a public limited company and the listing of the company on the Market for Alternative Investment (MAI).
- Approved a change in the par value of the company's shares from Baht 10 each to Baht 0.50 each, and the amendment of the memorandum of association.
- Approved an increase of Baht 85 million in the company's registered share capital, from Baht 215 million to Baht 300 million, through the issuance of 170 million additional ordinary shares with a par value of Baht 0.50 each.
- Approved the allocation of the Company's newly issued ordinary shares to the initial public offering (Initial Public Offering: IPO) and set the criteria for the allocation of these newly issued shares to the general public, patrons with pre-emptive rights, and directors and employees of the company.

On 27 October 2022, the Board of Directors Meeting No.4/2022 of Utility Business Alliance Company Limited approved the payment of a dividend of Baht 0.06 per share, a total of Baht 26.9 million, of which Baht 16.1 million and Baht 10.8 million is payable to the Company and non-controlling interests, respectively.

On 7 December 2022, the Market for Alternative Investment (MAI) has accepted the common shares of Utility Business Alliance Public Company Limited ("UBA") as listed securities and started trading. As a result, the Company's shareholding in UBA decreased from 60 percent to 43 percent without a change in the Company's control over UBA caused the investment in UBA is still classified as an investment in subsidiary. The Company recorded impact from the changes in ownership interests in a subsidiary in shareholders' equity.

On 20 April 2023, the Annual General Meeting of Utility Business Alliance Public Company Limited approved the payment of a dividend of Baht 0.0459 per share, a total of Baht 27.5 million, of which Baht 11.8 million and Baht 15.7 million is payable to the Company and non-controlling interests, respectively.

The Company has pledged investment in Utility Business Alliance Public Company Limited, with the net book value as at 31 December 2023 totaling Baht 133 million (31 December 2022: None), with a financial institution as collateral for the Company's long-term loan obtained from the financial institution.

## 19. Investments in associate

### 19.1 Details of associate:

Company's name	Nature of business	Country of incorporation	Shareholding percentage	Consolidated financial statements						Dividend received during the year	
				Cost method		Carrying amounts based on equity method		Share of profit from investments			
				2023	2022	2023	2022	2023	2022		
				(%)	(%)	(restated)					
C.I.N. Estate Company Limited	Property development	Thailand	40	160,471	160,471	231,446	239,172	(7,726)	15,958	-	
Total investments in associate					160,471	160,471	231,446	239,172	(7,726)	15,958	-

Investment in C.I.N. Estate Company Limited hold by Mana Development Company Limited, a subsidiary. The Company has significant influence over this company with the proportion of investment. Therefore, this investment presented as an investment in an associate in the consolidated financial statements.

## 19.2 Summarised financial information about associate

Summarised information about financial position as at 31 December 2023 and 2022.

	(Unit: Million Baht)	
	C.I.N. Estate	
	Company Limited	
	2023	2022
		(restated)
Cash and cash equivalents	-	49
Other current assets	26	43
Project development cost	907	745
Investment properties	79	79
Other non-current assets	7	10
Other current liabilities	(207)	(123)
Long-term loans	(210)	(184)
Other non-current liabilities	(24)	(21)
<b>Net assets</b>	<b>578</b>	<b>598</b>
Shareholding percentage	40%	40%
<b>Share of net assets</b>	<b>231</b>	<b>239</b>
Elimination entries	-	-
<b>Carrying amounts of associate based on equity method</b>	<b>231</b>	<b>239</b>

Summarised information about comprehensive income for the years ended 31 December 2023 and 2022.

	(Unit: Million Baht)	
	C.I.N. Estate	
	Company Limited	
	2023	2022
Total revenues	8	303
Profit (loss)	(20)	40
Other comprehensive income	-	-
Total comprehensive income	(20)	40

## 20. Investment properties

The net book value of investment properties as at 31 December 2023 and 2022 is presented below.

(Unit: Thousand Baht)			
Consolidated financial statements			
	Land awaiting sale	Condominium unit for rent	Total
As at 31 January 2021 - as previously reported	180,945	1,749	182,694
Cumulative effect of change in accounting policy (Note 4)	163,965	751	164,716
As at 31 December 2021 - as restated	344,910	2,500	347,410
Net gain from a fair value adjustment	327	-	327
As at 31 December 2022 - as restated	345,237	2,500	347,737
Net gain from a fair value adjustment	6,383	-	6,383
As at 31 December 2023	351,620	2,500	354,120

(Unit: Thousand Baht)	
Separate financial statements	
	Land awaiting sale
As at 31 January 2021 - as previously reported	178,881
Cumulative effect of change in accounting policy (Note 4)	166,029
As at 31 December 2021 - as restated	344,910
Net gain from a fair value adjustment	327
As at 31 December 2022 - as restated	345,237
Net gain from a fair value adjustment	6,383
As at 31 December 2023	351,620

The investment properties represent of land awaiting sale and condominium unit for rent. Its fair value has been determined based on the valuation performed by an accredited independent valuer, using the market comparable approach.

The Company has mortgaged investment properties, with the net book value as at 31 December 2023 totaling Baht 347 million (2022: Baht 341 million), with a financial institution as collateral for the Company's credit facilities obtained from the financial institution.

## 21. Property, plant and equipment

	Consolidated financial statements							(Unit: Thousand Baht)
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<b>Cost</b>								
As at 1 January 2022 - as previously reported	228,602	35,449	851,723	3,701,542	366,314	809,418	28,261	6,021,309
Impact of adjustment due to error (Note 4)	(57,600)	-	-	-	-	-	-	(57,600)
As at 1 January 2022 - as restated	171,002	35,449	851,723	3,701,542	366,314	809,418	28,261	5,963,709
Additions	-	-	318	264,028	20,247	5,071	208,597	498,261
Disposals/write-offs	-	-	-	(396,246)	(25,495)	(20,063)	-	(441,804)
Transferred in (out)	-	14,265	2,782	22,683	706	1,871	(42,307)	-
Transferred from right-of-use assets	-	-	-	68,718	919	12,584	-	82,221
As at 31 December 2022 - as restated	171,002	49,714	854,823	3,660,725	362,691	808,881	194,551	6,102,387
Additions	-	-	198	128,172	27,378	2,473	154,858	313,079
Surplus on revaluation of assets	245,497	-	-	-	-	-	-	245,497
Disposals/write-offs	-	(9,621)	(6,074)	(597,720)	(13,571)	(28,857)	-	(655,843)
Transferred in (out)	-	1,193	9,437	305,962	265	1,693	(318,550)	-
Transferred from right-of-use assets	-	-	-	25,496	935	88,594	-	115,025
Transferred from investment properties	2,064	-	-	-	-	-	-	2,064
As at 31 December 2023	418,563	41,286	858,384	3,522,635	377,698	872,784	30,859	6,122,209

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<b><u>Accumulated depreciation</u></b>								
As at 1 January 2022	-	34,142	290,955	3,017,266	246,960	626,527	-	4,215,850
Depreciation for the year	-	412	38,088	224,651	38,865	46,374	-	348,390
Depreciation on disposals/write-offs	-	-	-	(391,050)	(23,699)	(18,120)	-	(432,869)
Transferred from right-of-use assets	-	-	-	28,216	754	4,845	-	33,815
As at 31 December 2022	-	34,554	329,043	2,879,083	262,880	659,626	-	4,165,186
Depreciation for the year	-	1,880	35,930	296,078	35,891	46,039	-	415,818
Depreciation on disposals/write-offs	-	(9,621)	(6,074)	(564,509)	(8,262)	(22,618)	-	(611,084)
Transferred from right-of-use assets	-	-	-	9,171	569	31,969	-	41,709
As at 31 December 2023	-	26,813	358,899	2,619,823	291,078	715,016	-	4,011,629
<b><u>Allowance for impairment loss</u></b>								
As at 1 January 2022	-	-	2,347	48,564	213	504	755	52,383
Increase during the year	-	-	-	-	-	-	766	766
Decrease during the year	-	-	(276)	(16,375)	(10)	(142)	-	(16,803)
As at 31 December 2022	-	-	2,071	32,189	203	362	1,521	36,346
Decrease during the year	-	-	-	(21,239)	-	-	-	(21,239)
As at 31 December 2023	-	-	2,071	10,950	203	362	1,521	15,107

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<b><u>Net book value</u></b>								
As at 31 December 2022 - as restated	171,002	15,160	523,709	749,453	99,608	148,893	193,030	1,900,855
As at 31 December 2023	418,563	14,473	497,414	891,862	86,417	157,406	29,338	2,095,473
<b><u>Depreciation for the year</u></b>								
2022 (Baht 305 million included in cost, and the balance in administrative expenses)								348,390
2023 (Baht 390 million included in cost, and the balance in administrative expenses)								415,762

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress
Cost							Total
As at 1 January 2022 - as previously reported	166,560	35,489	275,866	3,391,168	302,839	783,787	37,736
Impact of adjustment due to error (Note 4)	(57,600)	-	-	-	-	-	(57,600)
As at 1 January 2022 - as restated	108,960	35,489	275,866	3,391,168	302,839	783,787	4,993,445
Additions	-	-	-	253,004	17,138	4,980	473,448
Disposals/write-offs	-	-	-	(337,889)	(23,570)	(18,266)	(379,725)
Transferred in (out)	-	14,265	2,782	12,559	706	1,871	-
Transferred from right-of-use assets	-	-	-	68,718	-	9,357	78,075
As at 31 December 2022 - as restated	108,960	49,754	278,648	3,387,560	297,113	781,729	5,107,643
Additions	-	-	-	95,164	6,075	596	227,801
Surplus on revaluation of assets	90,562	-	-	-	-	-	90,562
Disposals/write-offs	-	(9,623)	(6,074)	(591,640)	(13,044)	(27,580)	(647,961)
Transferred in (out)	-	1,194	9,437	271,842	264	1,692	-
Transferred from right-of-use assets	-	-	-	25,496	-	88,595	114,091
As at 31 December 2023	199,522	41,325	282,011	3,188,422	290,408	845,032	4,892,136

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress
							Total
<b><u>Accumulated depreciation</u></b>							
As at 1 January 2022	-	34,144	157,351	2,875,925	194,119	609,640	3,871,179
Depreciation for the year	-	412	14,037	182,380	34,636	44,438	275,903
Depreciation on disposals/write-offs	-	-	-	(332,717)	(21,853)	(17,117)	(371,687)
Transferred from right-of-use assets	-	-	-	28,218	-	3,369	31,587
As at 31 December 2022	-	34,556	171,388	2,753,806	206,902	640,330	3,806,982
Depreciation for the year	-	1,880	14,737	254,200	31,572	44,063	346,452
Depreciation on disposals/write-offs	-	(9,621)	(6,074)	(559,540)	(7,775)	(21,341)	(604,351)
Transferred from right-of-use assets	-	-	-	9,172	-	31,969	41,141
As at 31 December 2023	-	26,815	180,051	2,457,638	230,699	695,021	3,590,224
<b><u>Allowance for impairment loss</u></b>							
As at 1 January 2022	-	-	-	42,646	-	-	42,646
Decrease during the year	-	-	-	(15,161)	-	-	(15,161)
As at 31 December 2022	-	-	-	27,485	-	-	27,485
Decrease during the year	-	-	-	(21,239)	-	-	(21,239)
As at 31 December 2023	-	-	-	6,246	-	-	6,246

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles
						Constructions in progress
						Total
<b><u>Net book value</u></b>						
As at 31 December 2022 - as restated	108,960	15,198	107,260	606,269	90,211	141,399
As at 31 December 2023	199,522	14,510	101,960	724,538	59,709	150,011
<b><u>Depreciation for the year</u></b>						
2022 (Baht 256 million included in cost, and the balance in administrative expenses)						275,903
2023 (Baht 341 million included in cost, and the balance in administrative expenses)						346,452

As at 31 December 2023, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,380 million (2022: Baht 2,496 million) (Separate financial statements: Baht 2,272 million, 2022: Baht 2,395 million).

The Group has mortgaged the part of land and buildings thereon, machinery and ships, with the net book value as at 31 December 2023 totaling Baht 1,010 million (2022: Baht 944 million) (Separate financial statements: Baht 270 million, 2022: Baht 340 million) with a financial institution as collateral for the Group's credit facilities and letter of guarantee facilities obtained from the financial institution.

## 22. Bank overdrafts and short-term loans from financial institutions

		(Unit: Thousand Baht)			
	Interest rate (% p.a.)	Consolidated		Separate	
		financial statements		financial statements	
		2023	2022	2023	2022
Bank overdrafts	7.33, MOR, MOR-1	9,225	-	9,220	-
Trust receipts	5.80, 7.90, MLR - 1	47,645	273,700	47,645	273,700
Short-term loans	4.50 - 5.80				
from financial	MLR - 0.75, MLR - 1,				
institutions	MLR - 1.25, MMR	3,165,348	4,400,031	3,024,713	4,255,732
<b>Total bank overdrafts and short-term</b>					
<b>loans from financial institutions</b>		<b>3,222,218</b>	<b>4,673,731</b>	<b>3,081,578</b>	<b>4,529,432</b>

The bank overdrafts, trust receipts and short-term loan facilities of the Group are secured by the mortgage of the part of land with structures thereon, ships of the Company and investment properties and future structures of the Company and its subsidiary's development project, transfer of rights of claim over collections for work done under construction agreements of the Company and its subsidiaries and are guaranteed by the Company and the directors of the Company and its subsidiaries.

## 23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade payables - related parties	2,482	1,531	195,728	124,331
Trade payables - unrelated parties	3,533,184	2,934,211	3,378,824	2,811,549
Advance received from related parties	100	100	100	100
Advance received from unrelated party	25	128	25	128
Other payables - related parties	6,076	5,177	28,060	14,507
Other payables - unrelated parties	91,706	127,847	72,585	112,475
Dividend payables - unrelated parties	3	-	-	-
Accrued expenses - related parties	5,097	1,207	14,866	29,674
Accrued expenses - unrelated parties	1,040,509	652,740	988,942	593,529
<b>Total trade and other payables</b>	<b>4,679,182</b>	<b>3,722,941</b>	<b>4,679,130</b>	<b>3,686,293</b>

## 24. Leases

### The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 30 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
As at 1 January 2022	192,277	46,510	70,206	5,889	131,392	446,274
Additions	13,362	2,469	10,467	-	18,760	45,058
Transfer to property, plant and equipment	-	-	(40,500)	(165)	(7,740)	(48,405)
Depreciation for the year	(19,136)	(15,024)	(5,501)	(2,107)	(15,699)	(57,467)
As at 31 December 2022	186,503	33,955	34,672	3,617	126,713	385,460
Additions	13,035	53,704	-	2,565	7,817	77,121
Transfer to property, plant and equipment	-	-	(16,325)	(366)	(56,625)	(73,316)
Depreciation for the year	(19,789)	(15,509)	(3,053)	(1,919)	(13,022)	(53,292)
As at 31 December 2023	179,749	72,150	15,294	3,897	64,883	335,973

(Unit: Thousand Baht)

	Separate financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
As at 1 January 2022	20,109	30,277	70,206	1,950	126,983	249,525
Additions	13,362	2,469	10,467	-	13,752	40,050
Transfer to property, plant and equipment	-	-	(40,500)	-	(5,988)	(46,488)
Depreciation for the year	(13,165)	(11,910)	(5,501)	(600)	(14,984)	(46,160)
As at 31 December 2022	20,306	20,836	34,672	1,350	119,763	196,927
Additions	13,035	51,995	-	-	5,159	70,189
Transfer to property, plant and equipment	-	-	(16,325)	-	(56,625)	(72,950)
Depreciation for the year	(13,817)	(12,395)	(3,053)	(600)	(12,027)	(41,892)
As at 31 December 2023	19,524	60,436	15,294	750	56,270	152,274

**b) Lease liabilities**

Details of lease liabilities as at 31 December 2023 and 2022 are as followings:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Lease payments	383,714	385,639	132,425	127,411
Less: Deferred interest expenses	(132,159)	(135,480)	(10,959)	(7,724)
Total	251,555	250,159	121,466	119,687
Less: Portion due within one year	(52,973)	(66,785)	(46,515)	(60,289)
Lease liabilities - net of current portion	198,582	183,374	74,951	59,398

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance at beginning of year	250,159	291,568	119,687	159,260
Additions	77,192	44,280	70,261	40,050
Accretion of interest	11,493	13,721	4,521	6,208
Repayments	(87,289)	(99,410)	(73,003)	(85,831)
Balance at end of year	251,555	250,159	121,466	119,687

A maturity analysis of lease payments is disclosed in Note 39.1 to the consolidated financial statements under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

Expenses relating to leases that are recognised in profit or loss for the years ended 31 December 2023 and 2022 are as the followings:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation expense of				
right-of-use assets	53,292	57,467	41,892	46,160
Interest expense on lease liabilities	11,829	13,721	4,519	6,208
Expense relating to short-term leases	27,278	35,049	25,363	35,049
Expense relating to leases of				
low-value assets	218	2,582	-	-
Expense relating to variable lease				
payments that do not depend on an				
index or a rate	248,129	268,297	248,129	265,862

The Group has lease contracts for machinery, equipment and motor vehicles that contains variable payments based on actual hours. The lease term is 1 - 3 years.

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 334 million (2022: Baht 356 million) (Separate financial statements: Baht 353 million, 2022: Baht 340 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

## 25. Long-term loans from banks

			(Unit: Thousand Baht)			
Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2023	2022	2023	2022
(1)	MLR-0.50	Monthly installments from February 2018 to July 2027	107,500	137,500	-	-
(2)	MLR-0.50	Monthly installments from March 2019 to February 2026	5,464	10,504	-	-
(3)	MLR-0.25	Monthly installments from January 2024 to April 2031	12,400	12,400	-	-
(4)	4.00, MLR-1.50	Repayable in installments for every 6 months from January 2026 to August 2028	425,000	425,000	425,000	425,000
(5)	4.00, MLR-1.50	Repayable in installments for every 6 months from February 2026 to August 2031	770,000	770,000	770,000	770,000
(6)	MLR-0.75	Paid all amount within 48 months since the first draw down (June 2020)	-	41,600	-	-
(7)	2.00-7.00	Paid all amount within 60 months since the first draw down (July 2022)	-	2,880	-	-
(8)	MLR	Paid all amount within 48 months since the first draw down (June 2023)	-	37,000	-	-
(9)	MLR-1.25	Paid all amount within 48 months since the first draw down (December 2022)	172,145	107,203	-	-
(10)	MLR-1.25	Paid all amount within 42 months since the first draw down (December 2023)	92,214	-	-	-
(11)	MLR-2.75	Paid all amount within 36 months since the first draw down (November 2023)	47,475	-	-	-
(12)	6.50	Paid all amount within 24 months since the first sign agreement (September 2022)	28,415	-	-	-
(13)	4.00	Repayable in installments for every 6 months from November 2025 to November 2027	500,000	-	500,000	-
(14)	MLR-1.25	Paid all amount within 60 months since the first draw down (June 2023)	163,665	-	163,665	-
Total long-term loans from banks			2,324,278	1,544,087	1,858,665	1,195,000
Less: Current portion			(375,889)	(183,963)	-	-
<b>Long-term loans from banks, net of current portion</b>			<b>1,948,389</b>	<b>1,360,124</b>	<b>1,858,665</b>	<b>1,195,000</b>

The loan agreements contain covenants as stipulated in the agreement and restrictions imposed by the lender, relating to such matters as maintenance of a shareholding percentage in the subsidiaries by the Company. The loans are secured by the transfer of rights of claim over collections for work done under construction agreements of the Company and the subsidiary, the mortgage of land with structures thereon and/or future structures, machinery and motor vehicles of the Company and project development cost and future structures of the development project of its subsidiary and guaranteed by the Company and the directors of the Company and its subsidiaries.

As at 31 December 2023, the Group have an undrawn amount of long-term loan under the agreements amounting to Baht 539 million (2022: Baht 906 million).

On 22 April 2020, a subsidiary entered into an amendment to the Baht 300 million loan agreement (1) granting a grace period for loan principal repayment from April 2020 to March 2021. After the grace period, loan principal is to be repaid in monthly installments, with the first installment due in April 2021 and the loan to be repaid in full within July 2027.

On 22 April 2020, a subsidiary entered into an amendment to the Baht 30 million loan agreement (2) granting a grace period for loan principal repayment from April 2020 to March 2021. After the grace period, loan principal is to be repaid in monthly installments, with the first installment due in April 2021 and the loan to be repaid in full within February 2026.

On 19 October 2022, the Company entered into an amendment to the Baht 500 million loan agreement (4) to change the interest rate since 1 November 2022. The Company agrees to pay interest at the rate of MLR - 1.50 percent per annum. In addition, the Company is granted a grace period for loan principal repayment from January 2022 to December 2025. After the grace period, loan principal is to be repaid every 6 months, with the first installment due in January 2026 and the loan to be repaid in full within August 2028.

On 22 November 2023, the Company entered into an amendment to the Bath 500 million loan agreement (4) to changing the interest rate from 30 November 2023 to 31 December 2025. The Company agrees to pay interest at the rate of 4 percent per annum. In addition, the Company agrees to pay interest i at the rate of MLR - 1.50 percent per annum, since 1 January 2026.

On 19 October 2022, the Company entered into an amendment to the Baht 800 million loan agreement (5) to change the interest rate since 1 November 2022. The Company agrees to pay interest at the rate of MLR - 1.50 percent per annum. In addition, the Company is granted a grace period for loan principal repayment from February 2023 to January 2026. After the grace period, loan principal is to be repaid every 6 months, with the first installment due in February 2026 and the loan to be repaid in full within August 2031.

On 22 November 2023, the Company entered into an amendment to the Bath 800 million loan agreement (5) to changing the interest rate from 30 November 2023 to 31 December 2025. The Company agrees to pay interest at the rate of 4 percent per annum. In addition, The Company agrees to pay interest at the rate of MLR - 1.50 percent per annum, since 1 January 2026

On 22 November 2023, the Company entered into an amendment to the Baht 500 million loan agreement (13) to changing the interest rate from 30 November 2023 to 31 December 2025. The Company agrees to pay interest at the rate of 4 percent per annum. In addition, The Company agrees to pay interest at the rate of MLR - 1.50 percent per annum, since 1 January 2026. In addition, the Company is granted a grace period for loan principal repayment from November 2023 to October 2025. After the grace period, loan principal is to be repaid every 6 months, with the first installment due in November 2025 and the loan to be repaid in full within November 2027.

The “Current portion of long-term loans from banks” as presented in the statement of financial position is based on the amounts due for repayment within one year as scheduled in the agreements.

Movements in the long-term loans account during the years ended 31 December 2023 and 2022 are summarised below.

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning balance	1,544,087	1,472,229	1,195,000	1,225,000
Additional borrowings during the year	929,482	240,028	663,665	-
Payment during the year	(149,291)	(168,170)	-	(30,000)
Ending balance	<u>2,324,278</u>	<u>1,544,087</u>	<u>1,858,665</u>	<u>1,195,000</u>

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio at the rate prescribed in the agreements.

## 26. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Long-term loans from related parties				
(member of the same family as that of the				
Company's director) (Note 7)	12,000*	-	12,000*	-
Long-term loans from unrelated parties	64,000*	30,000	31,500*	-
<b>Total long-term loans</b>	<b>76,000</b>	<b>30,000</b>	<b>43,500</b>	<b>-</b>
Less: Current portion of long-term loans	(13,750)	(22,500)	-	-
<b>Long-term loans, net of current portion</b>	<b>62,250</b>	<b>7,500</b>	<b>43,500</b>	<b>-</b>

\*During the year, the Company classified short-term loans to long-term loans.

Short-term loan from members of the same family as that of the Company's director carry interest at the rate of 4.25 percent per annum and to be repaid within September 2023. Subsequently, on 18 September 2023, the Company and that members of the same family as that of the Company's director entered into a new three loan agreements. carrying interest at a rate of 6.90 per annum, with interest payable every three months and to be repaid within 18 September 2025. Therefore, as at 31 December 2023, the Company classified such short-term loans as long-term loans.

Short-term loan from an unrelated party carry interest at the rate of 4.25 percent per annum and to be repaid within July and September 2023. Subsequently, the Company and unrelated party entered into a new three loan agreements. carrying interest at a rate of 6.90 per annum, with interest payable every three months and to be repaid within July and September 2025. Therefore, as at 31 December 2023, the Company classified the loans as long-term loans.

Long-term loans from unrelated party of subsidiary is unsecured and the agreements contain no covenants. The loan carry interest at the rate of 4.50 and 6.00 percent per annum.

## 27. Short-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term loans from related parties				
(Note 7)	1,435	13,500	-	12,000
Short-term loan from other joint operation	159,029	103,603	159,029	103,603
Short-term loans from unrelated parties	77,700	153,884	77,700	153,884
<b>Total short-term loans</b>	<b>238,164</b>	<b>270,987</b>	<b>236,729</b>	<b>269,487</b>

As at 31 December 2023, TN Joint Venture entered into twelve loan agreements with other joint operations totaling Baht 159 million (31 December 2022: Baht 40.8 million), which carries interest at rates of 3.90 - 4.28 percent per annum and due within May 2024.

As at 31 December 2023, the Company obtained a loan from an unrelated party of Baht 77.7 million (31 December 2022: Baht 106.7 million) which carries interest at a rate of 6.00 and 6.90 percent per annum and due within September 2024.

## 28. Debentures

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	2023	2022
Debentures 1/2022	500,000	500,000
Debentures 1/2023	412,000	-
Less: Deferred debenture issuing costs	(7,628)	(7,193)
Total debentures	904,372	492,807
Less: Current portion of debentures	(496,585)	-
<b>Debentures, net of current portion</b>	<b>407,787</b>	<b>492,807</b>

Movements in the debentures account for the year ended 31 December 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2023	2022
Balance as at 1 January 2023	492,807	-
Add: Debenture issuing during the year	412,000	500,000
Add: Amortisation of expenses for issuance of debentures	5,630	525
Less: Deferred debenture issuing costs	(6,065)	(7,718)
<b>Balance as at 31 December 2023</b>	<b>904,372</b>	<b>492,807</b>

On 9 November 2022, the Company issued and offered 500,000 units of debentures No. 1/2022 with a par value of Baht 1,000 each, totaling Baht 500 million. These are registered, unsubordinated, unsecured debentures with trustees, and have a term of 2 years from the issue date, maturing on 9 November 2024. The coupon rate is 6.90 percent per annum (the effective interest rate of 7.74 percent per annum), with interest payable every 3 months throughout the life of the debentures.

On 12 May 2023, the Company issued and offered 500,000 units of debentures No. 1/2023 with a par value of Baht 1,000 each, totaling Baht 500 million. In this regard, the Company sold 412,000 units, totaling Baht 412 million. These are registered, unsubordinated, unsecured debentures with trustees, and have a term of 2 years from the issue date, maturing on 12 May 2025. The coupon rate is 6.95 percent per annum (the effective interest rate of 7.75 percent per annum), with interest payable every 3 months throughout the life of the debentures.

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions, such as limitations on the use of assets and the maintenance of a net debt to equity ratio.

## 29. Provision for long-term employee benefits

Provision for long-term employee benefits are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			Separate financial statements
	Defined benefit plans	Other long-term employee benefits	Total	Defined benefit plans
Provision for long-term employee benefits as at 1 January 2022	274,631	3,501	278,132	229,103
Included in profit or loss:				
Current service cost	19,501	577	20,078	15,259
Interest cost	4,848	68	4,916	3,895
Actuarial loss (gain) arising from				
- Financial assumptions changes	-	(178)	(178)	-
- Experience adjustments	-	291	291	-
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
- Financial assumptions changes	(1,145)	-	(1,145)	-
- Experience adjustments	675	-	675	-
Benefits paid during the year	(13,177)	(537)	(13,714)	(12,512)
Provision for long-term employee benefit as at 31 December 2022	285,333	3,722	289,055	235,745
Included in profit or loss:				
Current service cost	20,401	506	20,907	16,224
Interest cost	5,147	85	5,232	4,054
Actuarial loss (gain) arising from				
- Demographic assumptions changes	-	24	24	-
- Experience adjustments	-	(307)	(307)	-
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
- Demographic assumptions changes	649	-	649	-
- Experience adjustments	545	-	545	-
Benefits paid during the year	(19,200)	(716)	(19,916)	(17,465)
Provision for long-term employee benefit as at 31 December 2023	292,875	3,314	296,189	238,558

The Group expect to pay Baht 79 million of long-term employee benefits during the next year (2022: Baht 16 million) (Separate financial statements: Baht 72 million, 2022: Baht 12 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 6 - 17 years (2022: 6 - 18 years) (Separate financial statements: 7 years, 2022: 7 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	1.5 - 3.2	1.5 - 3.5	1.7	1.7
Future salary increase rate	2.5 - 4.0	2.5 - 4.0	2.5 - 4.0	2.5 - 4.0
Turnover rate	0.0 - 40.0	0.0 - 40.0	0.0 - 40.0	0.0 - 40.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	(Unit: Million Baht)					
	As at 31 December 2023					
	Discount rate		Salary increase rate		Turnover rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5 - 1.0%	Decrease 0.5 - 1.0%	Increase 10 - 20%	Decrease 10 - 20%
Consolidated financial statements	(10)	11	15	(14)	(7)	8
Separate financial statements	(8)	8	11	(10)	(5)	5

	(Unit: Million Baht)					
	As at 31 December 2022					
	Discount rate		Salary increase rate		Turnover rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5 - 1.0%	Decrease 0.5 - 1.0%	Increase 10 - 20%	Decrease 10 - 20%
Consolidated financial statements	(11)	11	13	(12)	(6)	7
Separate financial statements	(8)	9	10	(9)	(4)	5

### 30. Statutory reserve

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

### 31. Revenue from contracts with customers

#### 31.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Type of goods or service:</b>				
Construction service	10,365,469	11,970,715	9,734,181	11,281,110
Sale of real estate	189,377	415,593	-	-
Sales of concrete products	498,074	711,301	186,449	271,905
Total revenue from contracts with customers	<u>11,052,920</u>	<u>13,097,609</u>	<u>9,920,630</u>	<u>11,553,015</u>
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	687,451	1,126,894	186,449	271,905
Revenue recognised over time	10,365,469	11,970,715	9,734,181	11,281,110
Total revenue from contracts with customers	<u>11,052,920</u>	<u>13,097,609</u>	<u>9,920,630</u>	<u>11,553,015</u>

#### 31.2 Revenue recognised in relation to contract balances

During the year, the Group recognised revenue that was included in contract liabilities at the beginning of the year amounting to Baht 1,164 million (2022: Baht 947 million) (Separate financial statements: Baht 1,146 million, 2022: Baht 926 million).

#### 31.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, revenue totaling Baht 24,483 million (2022: Baht 38,052 million) (Separate financial statements: Baht 23,177 million, 2022: Baht 34,809 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 5 years (2022: within 6 years) (Separate financial statements: within 5 years, 2022: within 6 years).

The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contracts with a duration of one year or less and where the revenue is recognised in the amount that the entity has a right to invoice.

### 32. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interest expenses on borrowings	383,007	270,012	367,755	251,202
Interest expenses on lease liabilities	11,835	13,721	4,520	6,208
<b>Total</b>	<b>394,842</b>	<b>283,733</b>	<b>372,275</b>	<b>257,410</b>

### 33. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Raw materials and consumables used	3,751,669	5,319,863	3,278,620	4,826,218
Salaries, wages and other employee benefits	1,468,723	1,103,084	1,216,206	858,479
Subcontractor costs	5,370,308	5,149,543	5,185,638	4,911,767
Fuel charges	332,125	365,400	159,686	184,723
Depreciation and amortisation	469,054	405,982	388,344	322,063
Repair and maintenance	93,284	163,510	60,149	63,959
Impairment loss on financial assets	100,088	18,591	109,086	43,897
Other expenses	165,079	282,941	258,500	201,930
Changes in inventories of finished goods and work in process	45,710	67,651	10,883	36,181

### 34. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
		(restated)		(restated)
<b>Current income tax:</b>				
Current income tax charge	38,815	17,380	18,468	8,917
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(13,113)	20,535	(11,759)	11,163
<b>Income tax expenses reported in profit or loss</b>	<b>25,702</b>	<b>37,915</b>	<b>6,709</b>	<b>20,080</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax relating to surplus on revaluation of assets	49,099	-	18,122	-
Deferred tax relating to actuarial gain (loss)	(239)	94	-	-
	<u>48,860</u>	<u>94</u>	<u>18,122</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
		(restated)		(restated)
Accounting profit (loss) before tax	(954,555)	103,298	(918,653)	21,256
Applicable tax rate	20%, 22%	20%, 22%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(191,151)	20,251	(183,731)	4,251
Utilisation of previously unrecognised tax losses	(1,309)	(14,125)	(455)	(1,184)
Tax losses for the year that have not been recognised as deferred tax assets	218,800	131,872	195,590	122,659
Effects of preparing the consolidated financial statements	(3,487)	(1,309)	-	-
Effects of:				
Non-deductible expenses	4,438	34,262	953	28,584
Additional expense deductions allowed	(5,775)	(134,331)	(189)	(134,230)
Share of profit from investments in associate	1,545	(3,192)	(5,459)	-
Others	2,641	4,487	-	-
Total	2,849	(98,774)	(4,695)	(105,646)
<b>Income tax expenses reported in profit or loss</b>	<b>25,702</b>	<b>37,915</b>	<b>6,709</b>	<b>20,080</b>

As at 31 December 2023 and 2022, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
		(restated)		(restated)
<b>Deferred tax assets</b>				
Allowance for diminution in value of inventories	1,431	1,431	1,431	1,431
Allowance for diminution in value of project development cost	428	428	428	428
Allowance for asset impairment	14,677	7,269	20,748	5,497
Allowance for impairment loss on financial assets	2,508	2,413	-	-
Accumulated depreciation - plant and equipment	517	1,710	800	2,012
Provision for long-term employee benefits	59,869	58,442	47,711	47,149
Provision for loss on construction projects	4,968	5,622	4,968	5,622
Lease agreement	9,554	11,489	-	216
Others	313	438	-	-
<b>Deferred tax liabilities</b>				
Contract assets	-	(9,868)	-	-
Revaluation surplus of land	(49,099)	-	(34,548)	-
Lease agreement	-	-	(608)	-
Investment Properties	(34,723)	(33,033)	(18,112)	(33,271)
Amortisation of deferred debenture issuing costs	(1,526)	(1,438)	(1,526)	(1,438)
<b>Total deferred tax assets - net</b>	<b>8,917</b>	<b>44,903</b>	<b>21,292</b>	<b>27,646</b>

Deferred tax assets and liabilities in the consolidated statement of financial position were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
		(restated)		(restated)
Deferred tax assets	34,104	51,165	21,292	27,646
Deferred tax liabilities	(25,187)	(6,262)	-	-
<b>Deferred tax assets - net</b>	<b>8,917</b>	<b>44,903</b>	<b>21,292</b>	<b>27,646</b>

As at 31 December 2023, the Group had unused tax losses totaling Baht 2,616 million (2022: Baht 1,805 million) (Separate financial statements: Baht 2,278 million, 2022: Baht 1,471 million). No deferred tax assets have been recognised on these amounts as the Group believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will expire within 2027.

### **35. Basic earnings (deficits) per share**

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

### **36. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its main businesses and have three reportable segments as follows:

- (1) Construction contracting business
- (2) Real estate development business
- (3) Manufacture of concrete product business is a segment that involves manufacture of pre-stressed concrete piles and precast concrete products for third-party distribution.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group's financing activities, which give rise to finance costs and finance income, and income taxes are managed on the Group basis. Therefore, these income and expenses are not allocated to operating segments.

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

The following tables present revenue and profit information regarding the operating segments of the Group for the years ended 31 December 2023 and 2022.

(Unit: Million Baht)

The consolidated financial statements for the year ended 31 December 2023					
	Construction contracting business	Real estate development business	Manufacture of concrete products business	Eliminations	Consolidated
Revenue from external customers	10,366	189	498	-	11,053
Inter-segment revenue	687	-	307	(994)	-
<b>Segment operating loss</b>	<b>(591)</b>	<b>(75)</b>	<b>(76)</b>		<b>(742)</b>
Unallocated income (expenses):					
Finance income					40
Finance cost					(395)
Other income					151
Share of loss from investments in associate					(8)
<b>Loss before income tax expenses</b>					<b>(954)</b>
Income tax expenses					(26)
<b>Loss for the year</b>					<b>(980)</b>
Profit attributable to non-controlling interests of the subsidiary					(41)
<b>Loss for the year - attributable to equity holders of the Company</b>					<b>(1,021)</b>

(Unit: Million Baht)

The consolidated financial statements for the year ended 31 December 2022					
	Construction contracting business	Real estate development business	Manufacture of concrete products business	Eliminations	Consolidated
Revenue from external customers	11,971	416	711	-	13,098
Inter-segment revenue	745	-	325	(1,070)	-
<b>Segment operating profit (loss)</b>	<b>245</b>	<b>(77)</b>	<b>53</b>		<b>221</b>
Unallocated income (expenses):					
Finance income					7
Finance cost					(283)
Other income					142
Share of profit from investments in associate					16
<b>Profit before income tax expenses</b>					<b>103</b>
Income tax expenses					(38)
<b>Profit for the year</b>					<b>65</b>
Profit attributable to non-controlling interests of the subsidiary					(28)
<b>Profit for the year - attributable to equity holders of the Company</b>					<b>37</b>

### Geographic information

Revenue from external customers and non-current assets (other than financial instruments and deferred tax assets) are based on locations of the customers by the following:

	(Unit: Million Baht)	
	2023	2022
Revenue from external customers		
Thailand	11,041	13,089
Others	12	9
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	2,849	2,586
Others	1	2

### Major customers

For the year 2023, the Group has revenue arising from construction contracting business derived from three major customers in amount of Baht 3,592 million (2022: three major customers in amount of Baht 3,672 million).

## **37. Provident fund**

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and employees contribute to the fund monthly at the rate of 5 - 7 percent of basic salary (Separate financial statements: 5 percent of basic salary). The fund, which is managed by Krungsri Asset Management Company Limited, will be paid to their employees upon termination in accordance with the rules of the provident fund of the Group. During the year 2023, the Group contributed Baht 21 million to the fund (2022: Baht 21 million) (Separate financial statements: Baht 16 million, 2022: Baht 16 million).

## **38. Commitments and contingent liabilities**

### **38.1 Capital commitments**

As at 31 December 2023, the Group had the following capital commitments:

- a) The Company had an outstanding commitment of USD 4,495 of the uncalled portion of investments in a subsidiary (2022: USD 4,495).
- b) The subsidiary had an outstanding commitment of USD 1 million of the uncalled portion of investment in the joint arrangement (2022: USD 1 million).
- c) The Group had no outstanding commitments (2022: Its subsidiaries by Baht 5 million), relating to acquisition of tools, machineries and equipment.
- d) The subsidiary had an outstanding commitment of Baht 82 million of project development agreement (31 December 2022: Baht 47 million).

### **38.2 Service commitments**

As at 31 December 2023, the subsidiary had a security service agreement of Baht 0.3 million (31 December 2022: Baht 0.3 million).

### **38.3 Guarantees**

- a) As at 31 December 2023, the Company has commitments in respect of its guarantees of bank credit facilities of three subsidiary companies amounting to Baht 2,628 million (2022: four subsidiary companies amounting to Baht 2,213 million). Generally, the guarantees are effective so long as underlying obligation has not been discharged by its subsidiaries. No fee is charged for the provision of such guarantees.
- b) As at 31 December 2023, the Company has commitments in respect of its guarantees of bank credit facilities of six joint arrangements amounting to Baht 2,917 million (2022: nine joint arrangements amounting to Baht 5,148 million). Generally, the guarantees are effective so long as underlying obligation has not been discharged by its the joint arrangement. No fee is charged for the provision of such guarantees.

- c) As at 31 December 2023, the outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business were summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Guarantee of construction contracts, bidding and debt repayment	5,495	5,339	5,305	5,157
Guarantee of advance payment bond and retention	6,244	6,353	6,082	6,249
Other guarantees	841	794	735	759
<b>Total</b>	<b>12,580</b>	<b>12,486</b>	<b>12,122</b>	<b>12,165</b>

### 39. Financial instruments

#### 39.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, contract assets, short-term lending, long-term lending, investments, bank overdraft, short-term borrowings, trade and other payables, long-term borrowings and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

##### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade accounts receivable, contract assets, lending, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

##### ***Trade accounts receivable and contract assets***

The Group manages the risk by adopting appropriate credit control policies and procedures. Outstanding trade receivables and contract assets are regularly monitored. However, since the majority of construction services are made to creditworthy customers such as state enterprises and government agencies and due to the large number of entities comprising the Group's customer base. The Group therefore does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for long-time and not subject to enforcement activity.

### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are regularly reviewed by the Group's Board of Directors and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### **Market risk**

The market risk comprises interest rate risk and currency risk. However, the Group has not entered into derivatives to manage its risk exposure.

### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its loans to related parties denominated in foreign currencies, and trading transactions and income derived from overseas that are denominated in foreign currencies. The Group has no foreign currency forward contracts to reduce the exposure since the Group expects the risk to be minimal. In addition, the Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

As at 31 December 2023 and 2022, the Company had no balances of financial assets denominated in foreign currencies.

In addition, the Company is also exposed to the effect of foreign exchange movements on its investments in foreign subsidiary companies, which currently are not hedged by any derivative financial instrument.

### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to its deposit with financial institutions, short-term lending, long-term lending, bank overdrafts, short-term borrowings, long-term borrowings, debentures and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2023							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate  (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	2	-	-	1,275	18	1,295	0.15 - 1.10
Trade and other receivables	-	-	-	-	1,513	1,513	-
Contract assets	-	-	-	-	7,666	7,666	-
Short-term loans and advances	-	-	-	145	-	145	MOR, MLR
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	209	-	-	-	-	209	0.90 - 1.23
Other non-current financial assets	-	-	-	-	11	11	-
Long-term loans	-	-	16	179	-	195	MLR, 7.12
	211	-	16	1,599	9,215	11,041	
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans from financial institutions							
	48	-	-	3,174	-	3,222	Note 22
Trade and other payables	-	-	-	-	4,679	4,679	-
Contract liabilities	-	-	-	-	3,544	3,544	-
Lease liabilities	53	90	109	-	-	252	2.40 - 8.54
Short-term loans	238	-	-	-	-	238	3.90 - 6.90
Long-term loans from banks	-	-	-	2,324	-	2,324	Note 25
Long-term loans	14	62	-	-	-	76	4.50 - 6.90
Debentures	496	408	-	-	-	904	7.74 - 7.75
	849	560	109	5,498	8,223	15,239	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate  (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	26	-	-	1,679	33	1,738	0.10 - 0.40
Trade and other receivables	-	-	-	-	1,461	1,461	-
Contract assets	-	-	-	-	8,565	8,565	-
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	191	-	-	-	-	191	0.10 - 0.25
Other non-current financial assets	-	-	-	-	11	11	-
Long-term loans	-	16	-	112	184	312	MLR, 7.12
	217	16	-	1,791	10,261	12,285	
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans from financial institutions							
	274	-	-	4,400	-	4,674	Note 22
Trade and other payables	-	-	-	-	3,723	3,723	-
Contract liabilities	-	-	-	-	5,056	5,056	-
Lease liabilities	67	76	107	-	-	250	2.40 - 8.54
Short-term loans	269	-	-	-	2	271	2.50 - 4.25
Long-term loans from banks	-	-	-	1,544	-	1,544	Note 25
Long-term loans	22	8	-	-	-	30	4.50
Debentures	-	493	-	-	-	493	7.74
	632	577	107	5,944	8,781	16,041	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2023							
Fixed interest rates							Effective interest rate  (% per annum)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total		
<u>Financial assets</u>							
Cash and cash equivalent	2	-	-	918	15	935	0.15 - 1.10
Trade and other receivables	-	-	-	-	1,990	1,990	-
Contract assets	-	-	-	-	7,393	7,393	-
Other current financial assets	-	-	-	-	7	7	MLR
Restricted bank deposits	130	-	-	-	-	130	-
Other non-current financial assets	-	-	-	-	11	11	0.90 - 1.23
Long-term loans	-	-	16	352	-	368	MLR, 7.12
	132	-	16	1,270	9,416	10,834	
<u>Financial liabilities</u>							
Bank overdrafts and short-term							
loans from financial institutions	48	-	-	3,034	-	3,082	Note 22
Trade and other payables	-	-	-	-	4,679	4,679	-
Contract liabilities	-	-	-	-	3,526	3,526	-
Lease liabilities	47	75	-	-	-	122	2.40 - 8.54
Short-term loans	237	-	-	-	-	237	3.90 - 6.90
Long-term loans from banks	-	-	-	1,859	-	1,859	Note 25
Long-term loans	-	44	-	-	-	44	6.90
Debentures	497	408	-	-	-	905	7.74 - 7.75
	829	527	-	4,893	8,205	14,454	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate  (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	23	-	-	1,211	29	1,263	0.10 - 0.40
Trade and other receivables	-	-	-	-	1,962	1,962	-
Contract assets	-	-	-	-	8,264	8,264	-
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	115	-	-	-	-	115	0.10 - 0.25
Other non-current financial assets	-	-	-	-	11	11	-
Long-term loans	-	16	-	310	184	510	MLR, 7.12
	138	16	-	1,521	10,457	12,132	
<u>Financial liabilities</u>							
Bank overdrafts and short-term							
loans from financial institutions	273	-	-	4,256	-	4,529	Note 22
Trade and other payables	-	-	-	-	3,686	3,686	-
Contract liabilities	-	-	-	-	5,032	5,032	-
Lease liabilities	60	59	-	-	-	119	2.40 - 8.54
Short-term loans	269	-	-	-	-	269	2.50 - 4.25
Long-term loans from banks	-	-	-	1,195	-	1,195	Note 25
Debentures	-	493	-	-	-	493	7.74
	602	552	-	5,451	8,718	15,323	

**Interest rate sensitivity analysis**

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate long-term loans affected as at 31 December 2023 and 2022, with all other variables held constant.

Currency	2023		2022	
	Increase/ decrease	Effect on profit before tax	Increase/ decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+0.25	(5,786)	+0.25	(3,616)
	-0.25	5,786	-0.25	3,616

The above analysis has been prepared assuming that the amounts of the floating rate loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

### Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans, debentures and lease contracts. As at 31 December 2023, Approximately 82% of the Group's debt will be mature in less than one year (2022: 86%) (Separate financial statements: 83%, 2022: 88%) based on the carrying value of debt reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. In addition, the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2023			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans				
from financial institutions	3,253	-	-	3,253
Trade and other payables	4,679	-	-	4,679
Lease liabilities	65	122	197	384
Short-term loans	242	-	-	242
Long-term loans from banks	478	1,768	566	2,812
Long-term loans	18	65	-	83
Debentures	558	422	-	980
<b>Total</b>	<b>9,293</b>	<b>2,377</b>	<b>763</b>	<b>12,433</b>

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2022				
	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans				
from financial institutions	4,698	-	-	4,698
Trade and other payables	3,723	-	-	3,723
Lease liabilities	78	107	201	386
Short-term loans	275	-	-	275
Long-term loans from banks	101	921	849	1,871
Long-term loans	24	7	-	31
Debentures	35	529	-	564
<b>Total</b>	<b>8,886</b>	<b>1,561</b>	<b>1,050</b>	<b>11,497</b>

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2023				
	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans				
from financial institutions	3,113	-	-	3,113
Trade and other payables	4,679	-	-	4,679
Lease liabilities	51	81	-	132
Short-term loans	241	-	-	241
Long-term loans from banks	78	1,677	561	2,316
Long-term loans	3	45	-	48
Debentures	558	422	-	980
<b>Total</b>	<b>8,723</b>	<b>2,225</b>	<b>561</b>	<b>11,509</b>

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans				
from financial institutions	4,552	-	-	4,552
Trade and other payables	3,686	-	-	3,686
Lease liabilities	64	63	-	127
Short-term loans	273	-	-	273
Long-term loans from banks	55	670	841	1,566
Debentures	35	529	-	564
<b>Total</b>	<b>8,665</b>	<b>1,262</b>	<b>841</b>	<b>10,768</b>

### 39.2 Fair values of financial instruments

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

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity such as cash and cash equivalents, trade accounts receivable, contract assets, short-term lending and advance, bank overdrafts and short-term loans from financial instruments, trade and other payables and short-term borrowings, the carrying amounts in the statement of financial position approximate their fair value.
- The fair value of debt securities is generally derived from quoted market prices.
- The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- The fair value of long-term lending is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.
- The fair value of debentures and fixed rate long-term borrowings is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.

- f) The carrying amounts of long-term borrowings carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

#### 40. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different level of inputs as follows:

(Unit: Million Baht)

Consolidated financial statements  
as at 31 December 2023

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Debt investments	-	6	-	6
Equity investments	-	-	11	11
Investment properties	-	355	-	355
Land	-	419	-	419
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	918	-	918

(Unit: Million Baht)

Consolidated financial statements  
as at 31 December 2022

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Debt investments	-	6	-	6
Equity investments	-	-	11	11
Investment properties - as restated	-	348	-	348
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	507	-	507

(Unit: Million Baht)

Separate financial statements

as at 31 December 2023

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Debt investments	-	6	-	6
Equity investments	-	-	11	11
Investment properties	-	352	-	352
Land	-	200	-	200
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	918	-	918

(Unit: Million Baht)

Separate financial statements

as at 31 December 2022

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Debt investments	-	6	-	6
Equity investments	-	-	11	11
Investment properties - as restated	-	345	-	345
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	507	-	507

#### 41. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value including to maintain the financial ratios in accordance with the term of loan agreement.

#### **42. Events after the reporting period**

On 27 February 2024, the Board of Directors Meeting No. 2/2024 of Utility Business Alliance Public Company Limited passed the following significant resolutions:

- a) Passed the resolution to propose the payment of a dividend of Baht 0.05 per share, a total of Baht 28.8 million.
- b) Passed the resolution to establish a new subsidiary company.

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

#### **43. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 29 February 2024.

## Report of the Board of Directors on Responsibilities towards the Financial Report

The Board of Directors takes accountability for the consolidated financial statements of the Company, including information disclosed in this annual report. The aforementioned financial statements have been prepared in accordance with generally accepted and consistently practiced the accounting standards by selecting appropriate accounting policies, together with careful discretion and best estimation. All materialized information has been sufficiently disclosed in the notes of financial statements. The Board of Directors, furthermore, provides:

- Internal control system which responsible by the Internal Audit Division who report directly to the Audit Committee, in order to ensure its independence from the management's domination.
- Practical guideline of good corporate governance for the Directors, executives and employees to adhere to.
- Proper and effective risk management system to reduce causes of each potential damages to the Company, to ensure that the preparation of financial and accounting statements is accurate, complete, and sufficient for maintaining the assets and preventing fraud.

The Board of Directors appointed the Audit Committee to reviewing the Accounting Policy and reviewing an accuracy of financial reports as well as internal control system and internal audit.

Further information is disclosed in the report of the Internal Audit in this annual report. Moreover, the Company's financial statements have been audited by the Certified Public Accountant (CPA) of EY Office Limited, in which within this report, the opinion of the CPA is represented in the independent auditors' report.

In the view of the Board of Directors, the Company's overall internal control system is satisfactory and reasonably assured that the financial statements of Nawarat Patanakarn Public Company Limited, its subsidiaries and joint ventures ended 31<sup>st</sup> December 2023 are reliable and in compliance with laws and relevant regulations.

**Mr. Prasertphand Pipatanakul**  
Chairman

## Verifying the accuracy of information

The Company has carefully reviewed the information in this annual registration statement. The company certifies that the following information

Speak correctly and completely, not false, and not cause others to misunderstand. or missing information that should be notified in essence. In addition, the company hereby certifies that

1. Financial statements and financial information summarized in the annual information disclosure form. The information has been presented correctly and completely in Important information about financial status Performance results and cash flow of the company and its subsidiaries

2. The company has established a good information disclosure system to ensure that the company has disclosed information that is both important to the company.

and subsidiaries correctly and completely Including controlling and supervising compliance with the said system

3 Assessed the internal control system as of February 29, 2024 to the company's auditor and audit committee, which coversto the shortcomings and important changes of the internal control system Including wrongful actions that may affect the preparation

Financial reports of the company and subsidiaries.

In this case, as evidence that all documents are a set of documents. The same that the company has authenticated. The Company has assigned Ms. Phakathip Lophansri to sign every page of this document. If any document does not have Ms. Phakathip's signatureLophansri has stated that the Company will consider it not to be information that the Company has certified as correct as above.

Name	Position	Signature
1. Mr. Polpat Karnasuta	Director and Chief Executive Officer	- Polpat Karnasuta -
2. Mr. Mongkol Peerasantikul	President	- Mongkol Peerasantikul -

### Authorized presentative

Ms. Pakatip Lopandhsri	Director, Company Secretary, Senior Vice President	- Pakatip Lopandhsri -
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**NAWARAT**

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Bangkaew, Bangplee, Samutprakarn

Telephone: (662) 730-2100 Fax: (662) 751-9484-85  
Website: [www.nawarat.co.th](http://www.nawarat.co.th)

## Attachment

Attachment 1 Details of Controlling Persons and Directors of the Company's subsidiaries

Name	Position	Age	Shareholdig Proportion (%)	Date of position	Family with Relationship	Education	Time	Work Experince
1. Mr. Polapat Kamasuta  pouse	Chief Executive Officer	63	10.246  -	1985	None	Bachelor of Business Administration, Oregon University, U.S.A	June 2018 - Present July 2016 - May 2018 2000 –2016	Chief Executive Officer Chief Executive Officer President President
2. Mr. Mongkol Peerasamtikul  pouse	President	69	-  -	2003	None	Bachelor of Engineering in Civil Engineering, Chiangmai University	June 2018 – Present 2017– May 2018 2011-2017	President Vice Chairman of Executive Committee Senior Vice President Vice President

Name	Position	Age	Shareholdig Proportion (%)	Date of position	Family with Relationship	Education	Time	Work Experince
3. Mr. Apathorn Kamasuta  Spouse	Senior Vice President	56	0.38  -	2022	None	Bachelor Degree in Marketing, Wagner College U.S.A	2002 –Present 2000– 2002	Senior Vice President General Manager
4. Mr. Pasan Swasdburi  Spouse	Senior Vice President	58	-  -	2011	None	- Master of Business Administration,Sasin Graduate Institute of Business - Bachelor Degree in Science Mechanical Engineering, Saginaw Valley State University, Michigan, U.S.A	2001–Present 1998 – 2001	Senior Vice President Senior General Manager Standaed Chartered Bank (Thai) Public Company Limited.

Name	Position	Age	Shareholdig Proportion (%)	Date of position	Family with Relationship	Education	Time	Work Experience
5. Mr.Nicolino Pasquini	Senior Vice President	64	-	2012	None	Engineering & Science of Technology Universita degli Studi di ROMA-LA SAPIENZARoma-ITALY	2012-Present	Senior Vice President
6. Mr. Nivate Ienghong Spouse	Senior Vice President	69	-	2013	None	Bachelor of Engineering in Civil Engineering, Chiangmai University	2017-Present 2003 –2017 1998 - 2002	Senior Vice President Vice President General Manager
7. Miss Pakatip Lopandhsri	Senior Vice President	67	0.004	2001	None	Master of Business Administration, Saint Louis University, U.S.A. - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University	2017-Present 2001– 2016 1993– 2001	Senior Vice President Vice President General Manager

Name	Position	Age	Shareholdig Proportion (%)	Date of position	Family with Relationship	Education	Time	Work Experience
8. Mr. Visut Suwanwitwaj Spouse	Vice President	62	-	2012	None	- Master of Business Administration, University of Baltimore Maryland, U.S.A. -Bachelor of of Engineering in Chemical Engineering Chulalongkorn University	2012 -Present 2008– 2012  2008– 2012	Vice President President Professional Training service Company Gmreal Manager Premier Product PCL.
9. Mr. Anupap Boonkoom Spouse	Vice President	57	-	2017	None	Bachelor of Engineering in Civil Engineering, Khon Kaen University	2017-Present 2015 -2017	Vice President Project Manager
10. Mr.Niran Pokaputra Spouse	Vice President	59	-	2017	None	Master of Business Administration, Ramkhamhaeng University	2017-Present 2016-2017 2007-2015	Vice President Assistant Vice President Project Manager

Name	Position	Age	Shareholdig Proportion (%)	Date of position	Family with Relationship	Education	Time	Work Experince
11.Mr.Kumpanat Maneechote  Spouse	Vice President	52	-	2017	None	Bachelor of Engineering in Civil Engineering,Prince of Songkla University Master of Business Administration, Kasetsart University	2017-Present 2016 2007 -2015	Vice President Assistant Vice President Project Manager
12. Mr. Tanarat Palasak  Spouse	Vice President	51	-	2017	None	Bachelor of Engineering in Civil Engineering,Prince of Songkla University	2017-Present 2016 2007 -2015	Vice President Assistant Vice President Project Manager
13. Mr.Pinyo Ruenrom  Spouse	Vice President	52	-	2017	None	Bachelor of Engineering in Civil Engineering, Khonkan University	2017-Present 2016 2007 -2015	Vice President Assistant Vice President Project Manager
14. Mr.Niran Wongsirirungsee  Spouse	Vice President	61	-	2017	None	Bachelor of Engineering in Electrical I Engineering, King Mongkut's University of Technology North Bangkok	2017-Present 2016 2007 -2015	Vice President Assistant Vice President Project Manager

Name	Position	Age	Shareholdig Proportion (%)	Date of position	Family with Relationship	Education	Time	Work Experince
15. Mr. Prasert Poonsri  Spouse	Vice President	58	-	2017	None	Bachelor of Engineering in Civil Engineering, Khon Kaen University	2017-Present 2016 2013 – 2015	Vice President Assistant Vice President General Manager
16. Miss Vipavee Lernnate	Vice President	61	-	2011	None	Master of Business Administration, Srinakharinwirot University Bachelor of of Business Administration, Sukhothai Thammathirat Open University	2011 - Present	Vice President

All executives do not have any criminal record in the past 10 years prior to the submission date of the additional disclosure report. No history of being sentenced to bankruptcy or committing offenses relating to property dishonestly

Attachment 1 Detail of Directors of the Company's Subsidiary Detail of Directors of the Company's Subsidiary, Joint ventures, Associated Companies, and Related Parties

Name		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Mr. Prasertphand Pipat-anakul																												
Mr. Aphichart Dharmasaroja																												
Mr. Tajitai Tmangraksat																												
Mr. Sarunthorn Chutima																												
Mr. Polapat Karnasuta		x	/	x		x	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Mongkol Peerasamtikul				/	x	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Miss Pakatip Lopandhsri		/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Sook Sueyanyongsiri				/	/																							
Mr. Apathorn Karnasuta				/	/	/																					x	
Mr. Pasan Swasiburi		/	/	/	/	/															/	/	/	/	/	/	/	/
Mr.Nicolino Pasquini					/						/	/	/															
Mr. Nivate Ienghong					/																							

Remark / = Director x = Chairman // = Executive

Subsidiary		Join Venture						Associated Joint Venture						NWR- AVP Joint Venture						Associated Company					
1	= Myanmar NWR Company Limited	7	=	Nawarat - A.S. Associated Joint Venture				13	=	NWR- AVP Joint Venture				21	=	C.I.N. Estate Company Limited				21	=	Related Parties Company			
2	= Utility Business Alliance Company Limite	8	=	A.S. - Nawarat Joint Venture				14	=	CAN Joint Venture				22	=	East Bangkok Assets Company Limited				22	=	Ruen Rapee Company Limited			
3	= Mana Palanakam Company Limited	9	=	NTA Joint Venture				15	=	Italian Thai-Nawarat Joint Venture				23	=	New Decade Company Limited				23	=	K Alliance Company Limited			
4	= Advance Prefab Company Limited	10	=	NCREC Joint Venture				16	=	ITD- NWR Joint Venture				24	=	Kao Chanao Hilly Resort Company Limited				24	=	E.G.G. Enterprise Company Limited			
5	= Taste Maker Company Limited	11	=	TN Joint Venture				17	=	ITD- Nawarat Joint Venture				25	=					25	=				
6	= Nawarat (Cambodia) Company Limited	12	=	TN- CEI Joint Venture				18	=	TNH Joint Venture				26	=					26	=				
								19	=	ITD- NWR MRT Joint Venture				27	=					27	=				
								20	=	NT Joint Venture															

## Attachment

Attachment 2 Details of Assets Appraisal  
- None-

## Attachment

Attachment 3

Corporate Governance Policy and Code of Conduct



# Corporate Governance Policy

**Nawarat Patanakarn Public Company Limited**  
(CG - 01)

Revision 00

Date: 17/09/2015

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## Objective

Nawarat Patanakarn Public Company Limited realizes the importance of the business conduct in compliance with the good corporate governance principles. We believe that good corporate governance system will contribute the Company to have potential in short and long term competition that will lead to sustainable business growth; to create confidence toward investors, financial institutes, business partners and stakeholders through clear, transparent and equitable communication; and to add value for all stakeholders.

The Board of Director has therefore formulated this Corporate Governance Policy Handbook in accordance with the good corporate governance principles of the Stock Exchange of Thailand and has used it as a practical guideline for all directors, executives and employees. To promote efficiency of the Company's business conduct and to help the Company to achieve its goals and objectives, excellent corporate governance and management are established for conduct of business on the basis of integrity, transparency, accountability and fairness.

## Corporate Governance Policy

The Board of Directors of Nawarat Patanakarn Public Company Limited realizes the importance of the corporate governance and the social responsibility since it believes that good governance is a key part of successful business conduct and to create confidence of efficient and transparent management system toward shareholders, investors, stakeholders and related parties that will lead to sustainable and quality growth and can add value to the Company.

The Board of Directors understands its duties, roles and responsibilities to shareholders including stakeholders and related parties and is committed to operate business under the good corporate governance principles in conformity with best practice or regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission including other related regulations. In addition, the Board of Directors defines and reviews policies as well as evaluates performance in compliance with policies relevant to five categories of the corporate governance principles as follows:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Roles of Stakeholders
4. Disclosure and transparency
5. Responsibilities of the Board

All directors, executives, and employees including those in subsidiaries and associated companies must comply with the Corporate Governance Policy and other related policies.

## Vision, Mission and Values

### Vision

To be one of Thailand's top five largest general construction contractors with international standard, stability and sustainability together with responsibility to society and environment

### Mission

1. Comprehensively conduct construction business and related engineering works and have stable profitability.
2. Manage business professionally with modern technology for sustainable growth.
3. Enhance image of being Thai corporate which has potential and standard at international level.
4. Manage business under the corporate governance principle and operate with impartiality under the code of conduct to all stakeholders.
5. Deliver works and services in time with quality and standard, and meet customers' requirement.
6. Recognize the importance of the employees' life quality, encourage development of competency and cooperation among employees at all levels by establishing of tangible motivation systems.
7. Have social and environmental responsibility on a continuous and consistent basis

### Values

**Adhere to ethics, be professional and develop in accordance with changes**

- **Adhere to ethics** means possession of integrity, accurate opinions, ethics and commitment.
- **Be professional** means working with knowledge, capability, responsibility, quality, creativity, teamwork, responsiveness and accuracy. Always improve knowledge and pass it on to others.
- **Develop in accordance with changes** means change and improve organization according to external environment and changes.

## Definitions and Importance of Good Corporate Governance

### Definitions

Good Corporate Governance refers to the structure and mechanism of organizational management that create coherence between the directors, the executives, the employees, and the shareholders. The main objective is to operate the business under the concept of trustworthiness, equitation, transparency, and verifiability for the benefits of the shareholders, the interested parties, as well as the society.

### Source

The Company's Good Corporate Governance Policy has been framed in compliance with the good corporate governance of the Stock Exchange of Thailand.

### Importance of Good Corporate Governance

1. To enhance good, transparent and auditable management system that will help the Company to have potential in short and long term competition, ensure sustainable business prosperity and eliminate conflict of interest.
2. To create confidence toward investors, both inside and outside the country, financial institutes, business partners, and all stakeholders through clear, transparent and equitable communication; and add value to shareholders and all stakeholders in long run.
3. To be used as a performance and auditing indicator of operations of the Company in order to improve them to be more efficient.

## SECTION 1: Rights of Shareholders

The Company recognizes the importance of the rights of shareholders and shall not perform any actions that may violate or diminish their rights. As owners of the Company, the Company provides shareholders basic rights equally. Shareholders, therefore, have rights to participate in the meeting of shareholders to express their opinions, make inquiries and cast their votes, to buy, sell or transfer shares, to repurchase share, to get dividend, to share in the profit of the Company, to obtain relevant and adequate information on the Company to vote in election or removal of directors, in appointing the external auditor and in making decisions on any transactions that affect the Company's business direction. The Company implements the best practices toward the rights of shareholders as follows:-

1. The Company arranges for an annual ordinary meeting of shareholders within 4 (four) months from the last day of the fiscal year of the Company and allows shareholders to propose and send agenda items and name of qualified people for election as directors to the Company at least 1 (one) month prior to the meeting via the channel of the Company's website. For the utmost benefit of shareholders to acknowledge their rights as well as criteria, procedures and information of the meeting, the Company publishes the meeting handouts both in Thai and English through the Company's website in advance so that shareholders can spend more time studying the meeting details. On the day of shareholders' meeting, all directors, consultants and top management shall attend the meeting to reply questions.
2. The Board of Directors shall facilitate the shareholders' meeting. The meeting venue is ample enough to welcome all participants, convenient for shareholder's commute, safe and alert to emergency case.
3. The Company shall send out the meeting invitation letter together with agenda details with sufficient and complete information, proxy forms (3 types) and the Company's annual report to all shareholders in advance at least 7 (seven) days to ensure that shareholders and institutional investors have time to study agenda details and give power of attorney in case they are not able to attend the meeting themselves. To facilitate the shareholders, the Company also prepares duty stamps to put on the proxy forms with free of charge.
4. The Company disseminates the meeting invitation letter, meeting handouts and proxy form both in Thai and English, which is the same documents and information sent to shareholders through the Company's website ([www.nawarat.co.th](http://www.nawarat.co.th)) at least 7 (seven) days prior to the meeting. This is considered to be another channel for shareholders to acknowledge meeting details. The Company also publishes the meeting announcement in a newspaper for 3 (three) consecutive day ahead of the meeting.
5. The Company shall not perform any actions that hinder shareholders from exercising their rights to attend the meeting. All shareholders have right to attend the meeting,

- ask questions, share opinions on each agenda item and cast a vote. The Chairman of the meeting shall allocate time appropriately and encourages shareholders to share views and ask questions in the meeting.
6. Before the start of the meeting, the Chairman of the meeting shall inform shareholders how to cast a vote and count a vote on each agenda as stipulated in the Company's Articles of Association. The Company also produces ballots for shareholders to use for voting for each agenda item to ensure that shareholders are able to cast their votes on each agenda permissively and clearly and to be informed voting results promptly.
  7. The Board of Directors and the Corporate Secretary must participate in every shareholders' meeting to answer questions and listen to opinions of shareholders. Top management, auditor and legal advisor of the Company should attend the shareholder's meeting to answer questions in relevant matters.
  8. The Company disseminates the resolutions of the meeting by preparing the minute of the shareholders' meeting covering voting results on each agenda item and significant inquiries or opinions on the Company's website within 14 days from the meeting date.

## SECTION 2: Equitable Treatment of Shareholders

The Company treats all shareholders equally, gives importance to the protection of their basic rights, and encourages them to exercise their rights as defined by law. Shareholders shall obtain information completely and equally. Any shareholder who is unable to attend the meeting in person because of any inconvenient case may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. The best practices implemented by the Company related to equitable treatment of shareholders are as follows:-

1. The Company facilitates foreign shareholders by preparing documents, such as meeting invitation letter, proxy forms, minute of the shareholders' meeting and the Company's annual report in both Thai and English language. The Company website ([www.nawarat.co.th](http://www.nawarat.co.th)) is published in both languages as well in order to serve all interested shareholders.
2. The Company pre-determines criteria for proposal of meeting agendas and nomination of director to allow minor shareholders to participate in supervising the Company and nominating qualified directors to perform their duties efficiently for the utmost benefits of the shareholders and all stakeholders. Such criteria shall be publicized on the Company's website ([www.nawarat.co.th](http://www.nawarat.co.th)).
3. Shareholders can give a proxy to their representatives or the independent directors. The Company sends out proxy forms together with the meeting invitation letter to shareholders at least 7 (seven) days prior to the meeting and disseminates proxy form both in Thai and English with details and procedures through the Company's website ([www.nawarat.co.th](http://www.nawarat.co.th)) 30 days ahead of the meeting date.

In addition, the Company has established the following policies and measures on the protection of use of internal information to ensure that such a policy is informed and strictly complied:-

1. Directors, executives and employees must not use internal information of the Company or of business partners obtained from discharge of duties to buy/sell or to offer to buy/sell or to persuade others to buy/sell or to offer to buy/sell securities of the Company or of business partners for personal benefits or others'; and must strictly observe relevant laws.
2. Directors, executives, and employees must keep confidentiality and the internal information for which they are responsible not to be disclosed to other persons or unrelated personnel of the Company.
3. The Company prevents the use of internal information by restriction of access of undisclosed information allowing only persons involved and deemed appropriate; and

- provide security of internal information. Information owner must instruct involved person to strictly conform.
4. Disclosure of information must be made by the Company's authorization only. Personnel having no duty to disclose information when being asked any information shall suggest person to contact the authorized person in order to get correct information.
  5. Apart from information disclosed to the public, the Company considers that any information are internally used only. Directors, executives and employees must use information under the framework of assigned duties and responsibilities.
  6. Directors, executives, and employees have duty to protect information and shall not seek benefit from internal information, even though the status as employees has terminated.
  7. Directors and top executives are required to disclose the reports to the Securities and Exchange Commission on their holding of securities as well as reporting on every change in such holding under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 (three) business days after the date of purchase, sale, transfer or acceptance of transfer.
  8. Any person who conducts the disclosure of information without permission shall bear legal liabilities.

## SECTION 3: Roles of Stakeholders

The Company gives the importance of the rights of every group of stakeholders, both internal and external the Company which includes shareholders, customers, employees, business partners, competitors, creditors, government sector, as well as responsibility of social and environment. The Company has defined the code of conduct of directors, executives and employees and has established the manual to be used as framework of ethical behavior for business conduct by recognizing the principal of fairness, human rights, law observance, intellectual property respect as well as anti – corruption (the Code of Conduct Manual can be downloaded on [www.nawarat.co.th](http://www.nawarat.co.th))

### 1. The Company's policies on treatment of each stakeholder

The conduct of business of Nawarat Patanakarn Public Company Limited involves several stakeholders like shareholders, customers, business partners, competitors, creditors, public sectors, employees as well as communities, society and environment. Each group has different requirements; therefore, a policy is established for the responsible treatment of all stakeholders in accordance with their specific needs as follows:-

#### 1.1 Treatment of shareholders

Shareholders are encouraged to exercise their basic rights. The Company is committed to create the utmost satisfaction to shareholders by considering of sustainable growth, added value and continued provision of appropriate returns as well as conducts business in accordance with the good corporate governance principles.

#### 1.2 Treatment of customers

The Company is committed to ensure the satisfaction and confidence of customers and public with quality products and services at appropriate price levels. Consistently upgrade standards and maintain a positive and lasting relationship. For the qualitative purpose according to ISO 9001, the Company aims to create quality performance for customers' satisfaction. The evaluation of customers' satisfaction must not be less than 87%.

#### 1.3 Treatment of business partners

The Company is committed to conduct its business with equality and integrity and in accordance with the Code of Conduct, maintain the interest with business partners by strictly complying with laws and all agreements mutually agreed. The Company has established the code of conduct for the Company's suppliers as per detailed below:-

### 1. Human Rights and Labor

- Supplier should respect the human rights of their employees and treat them fairly as well as adhere to international principles and all applicable laws
- Supplier must not use forced or involuntary or illegal labor
- Supplier must not use child labor and should perform in accordance with applicable child labor laws
- Supplier must not discriminate in any condition of employment such as race, skin color, religion, age, disability, etc.

### 2. Safety, Occupational Health and Environment (in accordance with TIS 18001 : 2011, ISO 14001 : 2005)

- Supplier must commit and be responsible to use resources efficiently.
- Supplier must strictly conform to all applicable safety, occupational health and environmental laws.
- Supplier must make certain that they have safe and proper management of waste, air emission and wastewater discharges systems in the production procedures. Moreover, the systems must go through the regular assessment.
- Supplier must provide safety and healthy workplace, including appropriate personal protective equipments for their employees.

### 3. Ethics and Legal Requirements

- Supplier must conduct their business ethically and strictly in compliance with the laws.
- Supplier must not engage in any form of bribery.
- Supplier must operate business with fair competition.
- Supplier must keep accurate and complete business and financial records of all transactions related to the supplier's business and ready to provide upon request.
- Supplier must protect the company's confidential information.

#### 1.4 Treatment of business competitors

The Company is committed to treat business competitors in line with the international principles within the framework of laws on principle of practice of trade competition and observance of the rule of fair competition.

#### 1.5 Treatment of creditors

The Company is committed to observe the good practical guideline and the conditions in fairness to creditors and repay debts on time.

#### 1.6 Treatment of government sectors

Government sector is one of the stakeholders. The Company has established guideline for treatment of the public sectors in the countries in which the Company invests to avoid negative consequence from any action.

#### 1.7 Treatment of independent auditors

The Company recognizes the importance of the auditor who is considered by shareholders as an important mechanism for auditing of the executives' performance and for ensuring that the financial report is accurate and adequate. Directors, executives and employees must give full cooperation to the auditor by providing correct and complete information as well as facilitate the auditor when conducting the audit of the Company's financial report.

#### 1.8 Treatment of employees

The Company strongly realizes that employees are important and valuable assets which contribute to the success, advance and sustainable growth to the Company. The Company therefore is committed to develop organization into one of a learning organization, foster working culture and ambience, enhance teamwork, pay fair remunerations, monitor working environment to be safe, give importance to development, transfer knowledge and capability of employees, listen to opinions and suggestions of employees at all levels equally and equitably, and cultivate the organizational culture.

The Company also contributes welfares to employees as per detailed below:-

1. Apart from salaries that the company pays to the employees within the same range of other companies with similar size and nature of business, the company has arranged for the provision of incentives based on work performance, annual bonus, provident fund, Nawarat Patanakarn saving and credit cooperative limited, medical expenses, upcountry allowance, foreign allowance, uniform, life insurance, accident insurance as well as the annual physical check-up for all employees.
2. The Company has cooperate with the Government Housing Bank and the Government Savings Bank to provide a residential loan (called (Sai Thong Loans) to employees of which the privileges are better than that of the personal loan so that employees are able to acquire their own residence.
3. Privileges on holidays and financial assistance in case that employee's father or mother passes away.
4. Daily transfer services for employees and cars for employees in some positions working at construction sites and head office.
5. Complimentary accommodation with electricity and water supply for employees working at construction site.

6. Seminars and trainings for employees, both internal and external, so that they can improve their knowledge and ability for work efficiency.
7. Orientation courses for new employees to let them know policy, organization culture and practical guideline for working.

The human resources management of the Company is committed to respect employees' human right, inform key information regarded rights and duties of employees on orientation day, treat employee fairly and give employees opportunities to define guideline on welfare contribution to meet the employees' requirement by appointing the Welfare Committee consisting of 5 (five) employees who are elected as committee members and 2 (two) appointed committee members. The Welfare Committee has authorities and duties as follows:-

- discuss with the employer on welfare contribution to the employees
- give advice and provide opinion to the employer about welfare contribution to the employees;
- monitor and control welfare contributed to the employees by the employer;
- provide opinions and guidelines on welfare contribution to the Welfare Committee.

The company has the policy of impartiality and provides its employees equal opportunities with no regard of their religion, age (the company has considered to extend working service after the completion of retirement), race, complexion, gender, educational level (minimum Grade 4) and disabilities.

For the policy on foreign laborers, the Company contributes welfares in accordance with the labor law including other benefits as follows:

- social insurance (out of work injury / on-the-job injury) same as provided to Thai labor
- group accident insurance as provided to Thai labor
- complimentary accommodation as provided to Thai labor
- complimentary electricity and water supply not exceeding the amount limited by the Company, as provided to Thai labor
- minimum daily wages at Baht 300.- or more depending on work performance, as provided to Thai labor
- occupational health system & safety such as protective equipment as provided to Thai labor
- complaining system relating to work or other matters as provided to Thai labor
- rights to give opinions and suggestions on work as provided to Thai labor
- advancement at work as same as Thai labor

### 1.9 Treatment of communities, social and environment

The Company conducts its business on the basis of responsibility to communities, society and environment, in terms of safety, quality of life and preservation of natural resources, promotes efficient use of energy, recognizes life quality of communities and society, both surrounding construction sites and of country, allocates a proportion of profits to contribute for communities and society development, takes into account on environment impact from beginning stage of project construction, selection of technology, production procedures, waste elimination procedures as well as innovative research and development for efficient usage of energy.

#### Guideline for the Compensation of Stakeholders affected by Violation of Rights

Nawarat Patanakarn Public Company Limited has a guideline for the protection of rights of stakeholders who are affected by the violation of rights by the conduct of business of the Company. Compensation of an amount not lower than that required by the law will be considered.

### 2. Since the construction business is considered highly risky, the Company realizes the management of occupational health and safety as an important system for business operation and defines the following policies.

- 2.1 Carry out and develop continuously the occupational health and safety management system in accordance with TIS 18001 & OHSAS. 18001 suitably and comply with other legal requirements and standard requirements.
- 2.2 Control and improve working sites; prevent employees and related parties from health hazard, fire, chemical substances, electricity, machinery, emergency incidents, occupational diseases and other dangers within acceptable risk level.
- 2.3 Supports resources such as personnel, operation time, budget and training suitably and adequately.
- 2.4 Encourage all employees to join activities and express opinions on occupational health and safety
- 2.5 Review occupational health and safety management standard procedure at least once a year.
- 2.6 Risk factors for any occupational diseases must be zero.

The Company has established the Occupational Health, Safety & Environmental Manual in accordance with the Occupational Health & Safety Assessment Series – OHSAS 18001 and Environmental Management System – ISO 14001: 2004 for all employees to understand principles and procedures, realize and implement in order to create good and efficient management system and to be able to solve problems relating to occupational health, safety and environmental management system. In addition, it is a guideline to control safety, prevent various forms of accidents at work, reduce environmental problems caused by the Company which might affect

environment outside the Company that implement the occupational health, safety and environment management system and prevent impacts on nearby communities that the Company is performing its work.

The Company has also set up the Occupational Health and Safety Department to be directly in charged as well as has appointed the Safety, Occupational Health and Work Environment Commission consisting of 7 (seven) representatives from both the sides of the employer and the employees. The Safety, Occupational Health and Work Environment Commission have duties and responsibilities as follows:

- Consider policy and plan on safety for work and for outside of work in order to prevent and decrease accidents, injuries, illness, disturbances or unsafe conditions during the service of works and present to the employer
- Report and suggest the employer measures or guidelines to improve occupational safety standard to be in accordance with the related laws for the sake of the safety of employees, contractors, and third parties who come to work or use services in the Company.
- Promote and support activities relating to the working places' occupational safety.
- Consider regulations and handbook for the working places' occupational safety and occupational safety standard and present the employer.
- Review the operation of occupational safety and verify statistic of the occurrence of hazardous incidents in the working places at least once a month.
- Consider projects or training plans relating to occupational safety including ones relating to the roles and responsibilities for the safety of employees, division heads, executives, employer and personnel at all levels and report to the employer.
- Determine system for reporting of unsafe working conditions to be duties and responsibilities of all employees at all levels.
- Follow up the progress of all the matters submitted to the employer.
- Report the employer the Committee' s annual work performance indicating problems, difficulties and the comments on the fulfillment of duties when its one-year term completion.
- Evaluate the operation on occupational safety of the working places.
- Perform other works relating to occupational safety as assigned by the employer.

For objectives of quality in accordance with ISO: 9001, the Company has set the goal for its occupational safety operation by minimizing occupational accident rate not to more than 4 times/100 persons/year. The Company also organizes activities to promote the occupational safety in order to campaign against accidents to be zero in

each quarter. Any job sites with no accident in each quarter will receive reward from the Company.

**3. The Company is committed to respect others' property and has defined the intense policy not to violate intellectual property or copyrights.**

Computer software is protected under the Copyright Act A.D.1994 which protects all copyrights owners of computer software. Duplication, adjustment, installment, rent, and dissemination must be permitted by copyrights owner.

To use computer software in compliance with the Copyrights Act, the Company prohibits any actions violating software copyrights and any installations of pirate software in the office. Any employee who violates this regulation shall be considered commitment of criminal offence intentionally and having intention to damage the Company and shall be dismissed. Any employee who installs any pirate computer software in the office must delete such software. The Company shall verify software installed in all computers. Employees can consult the IT Department if they have any doubt on the copyright of computer software.

**4. The Company has practical guidelines on Anti – Corruption.**

The Company encourages and supports employees at all levels to recognize the importance and be aware of anti - corruption as well as has set up an internal control system to prevent fraud, extortion and offering and receiving of all forms of bribe.

Receiving and offering of gifts, assets or other benefits including hospitality to/from persons related to the Company's business is reasonably permissible when there are festive occasions or when they are considered a traditional norm within the suitable amount. The Company prohibits solicitation of gifts, assets or other benefits in any case not in accordance with tradition norm or exceeding suitability which may influence or bias business decision.

At the Meeting of the Company's Board of Directors No. 3/2015 on March 13, 2015, the Board has resolution to get the Company to express the intention to join the Thailand's Private Sector Collective Action Coalition Against Corruption initiated by Thai Institute of Directors (IOD). At present this is under the process of the Management.

**5. Acknowledgement of Incidence, Grievance, Suggestions Channels for Informants and Protection of the Rights of Informants (Whistle Blowing Policy).**

The Company has established a department to acknowledge incident, grievance or suggestion from stakeholders affected from the Company's operation. This can be

done verbally, via telephone, facsimile, electronic mail and postal mail. The Company will provide initial explanation of facts and measures to manage such matters to the party submitting grievance or involved party as soon as possible or within 1 day at latest.

In case of discovering of any acts of possible violation or against laws or regulations of the Company or personal, or any situation may cause damage to the Company, shareholders and all stakeholders can undertake whistle - blowing to the Company's Board of Directors by post mail addressing to:-

The Board of Directors Secretariat Office  
Nawarat Patanakarn Public Company Limited  
18<sup>th</sup> and 19<sup>th</sup> Floor, Bangna Towers A  
2/3 Moo 14, Bangna-Trad Road KM. 6.5  
Bangkaew, Banplee  
Samutprakarn 10540

The Company will keep such information confidential in order that the informants may not suffer any trouble.

**6. Since the Construction Business highly affects the environment, the Company recognizes the importance of the environmental responsibilities in business conduct and has defined the policies as detailed below:**

- 6.1 Prevent and control the disposal of trash, waste water, and air pollution caused by the Company's business activities in order to minimize the impact on the environment as much as it can in practical.
- 6.2 Promote and comply with the related laws on the environment and strictly follow the regulations on the environmental management system.
- 6.3 Ensure that the preventive and controlling measures are implemented and reviewed for continual improvement.
- 6.4 Get committed to promote energy preservation and efficient use of resources.
- 6.5 Educate and cultivate awareness of employees, contractors and persons involved to be aware of impacts to the environment.
- 6.6 Get committed to constantly push activities to be done and fulfilled in accordance with the environmental policy framework by communicating to employees and relevant persons and disseminating to the public.

Currently, the Company is certified by the environmental management system for standardization (ISO 14001: 2004) for the Head Office and is in the process of application of certification for factory. ISO 14001:2004 is a an environmental management system developed in September 1996 to enable an organization to implement a system for maintaining, controlling,

and improving quality environment, as well as protecting hygiene of human beings by planning and setting the guideline with objective in order to protect and reduce pollution from its origin emphasizing impacts or possible impacts on the environment originated from the organization's activities, production process, and services starting from materials acquisition, design, research and development, delivery, application according to its purpose, reuse, efficient resources utilization, avoidance of dangerous chemicals which is considered a good and effective environmental management system.

In addition, the Company has established the Environment Department which has duties to supervise and manage this matter exclusively, to promote and publicize to all employees to understand, realize, and participate in the environmental management as follows:

- issue internal journal called "Green Way" on monthly basis;
- issue pamphlets entitled "The Environmental Management System ISO 14001: 2004;
- provide training programs regarding:-
  - interpretation of ISO 14001: 2004
  - assessment of environmental problems and related applicable laws
  - internal audit for the environmental management system
  - environmental awareness

## SECTION 4: Information Disclosure and Transparency

The Company has the policy on the disclosure of information to all related parties in a timely manner with equality, transparency, accuracy and completion and without any distortion of facts in order that stakeholders are able to use it for decision making. Since information disclosure is key factor to create confidence toward investors on integrity of operation and mechanism for operational auditing, the Company recognizes its importance and tries to increase channels for provision of information as detailed below:-

1. The Board of Directors has duty to disclose both financial and non-financial information accurately, completely, adequately, reliably and in a timely manner in order that shareholders are able to receive information on an equitable basis, and ensure that information on the Company website are updated completely, consistently, promptly and in a timely manner so that shareholders can gain information for decision making and contact the department providing information conveniently.
2. The Company has established the Investor Relations Section under the New Business and Strategic Planning Department to act as the Company's representative in communicating and supervising general investors, securities analysts, and shareholders. Information will be disseminated via various channels such as the mass media, website, telephone, the Stock Exchange of Thailand and the Securities and Exchange Commission.
3. The Board of Directors shall prepare a balance sheet, profit and loss statement, audit report as well as the Board of Directors' annual and propose same to the meeting of shareholders at the annual ordinary meeting for consideration and approval
4. The Company discloses its important information on consistency basis via various channels and the media to enable its shareholders and stakeholders to be informed entirely. The channels for dissemination are as follows:
  - 4.1 The Stock Exchange of Thailand
    - Annual report
    - The Company's financial statement
    - Operational results report on quarterly basis
    - Resolutions of the Board and others
    - Opportunity day
  - 4.2 The Securities and Exchange Commission
  - 4.3 The Ministry of Commerce
  - 4.4 Newspaper
  - 4.5 The Company's press release

- 4.6 Investor Relation Section (contact: telephone 0-2730-2100 ext. 1122 or email: [IR@nawarat.co.th](mailto:IR@nawarat.co.th))
- 4.7 The Company's website ([www.nawarat.co.th](http://www.nawarat.co.th))
- 4.8 Company visit / One-on one meeting)
- 4.9 Analyst meeting
- 4.10 Document delivery notifies shareholders by post mail.
5. The meeting participation of the Board and the Sub – Committees is reported in the Company's annual report. Number of the Board and the Sub – Committees' meeting participation in each year will be comparable.
6. The Company has stipulated measures and procedures for related transaction approval. Any director, executive or related person is able to conduct business with the Company or its subsidiaries only if such transaction is approved by the shareholders' meeting.
7. The Board of Directors must report change of the Company's securities holding pursuant to the rule of the Securities and Exchange Commission. The Company has set the policy for directors to disclose the reports on their purchase - sale of shares / holding of securities as follows:-
  - 7.1 Directors and top executives have duty to report to the Securities and Exchange Commission on their holding of securities in the Company including those of their spouses, children who are minors within 30 days after the closure date of securities sale offer, if it is the first time of reporting. This is to comply with Section 59 of the Securities and Exchange Act B.E. 2535 (1992)
  - 7.2 Directors and top executives have duty to report to the Securities and Exchange Commission on change of their securities holding including those of their spouses, children who are minors within 3 (three) business days after the date of purchase, sale, transfer or acceptance of transfer. This is to comply with Section 59 of the Securities and Exchange Act B.E. 2535 (1992)
8. The Company has formulated the policy on vested interest report by requirements that directors and executives report to the Company on their own or their related person's vested interest relating to the management of business of the Company or its subsidiaries pursuant to Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008). Such report shall constitute information to support the Company's operations according to the requirement regarding related party transaction, which are transactions that may cause conflict of interest and lead to the siphoning of interest of the Company and its subsidiaries. Disclosure of the Board and the top executives' vested interest information is made in the annual report (56-2 form) and the 56-1 form.

## SECTION 5: Responsibilities of the Board

### 1. Composition, duties, responsibilities and the Board of Directors' work performance

#### 1.1 Leadership and vision

The Board of Directors has defined the Company's vision "To be number one in our specialized area and to be top five in general contracting business" and defined the mission to "develop effective work system and planning". The Board of Directors shall review and approve the vision and mission every year.

#### 1.2 Compositions of the Board of Directors

The Company's Board of Directors consists of qualified persons with knowledge, ability and experiences useful to the Company. There are 7 (seven) directors in total. The election of directors is in accordance with the resolution of the shareholders' meeting under the rules and procedures prescribed by law, currently comprising:

- 3 executive directors
- 1 non-executive director
- 3 independent directors

In addition, the Company has defined the policies on the Board of Directors' composition as follows:

1. There must be diversity within the Board's structure comprising of genders, ages, educational levels, knowledge, abilities, professional skills, working experience and special expertise. The Company sees the importance of the definition of the Board's composition relating to the board diversity believing that it is the key factor to create the balance of thoughts, quality of work and efficiency of the Board's decision which is beneficial to the Company's business operation. This policy is used covering the subsidiaries and the associated companies with the objectives of:
  - 1) enhancing discussion at The Board of Directors' meetings;
  - 2) enhancing the Board's creativity that will benefit the Company;
  - 3) enhancing efficiency of the Board's performance
2. Directors must not be employee or partner of the auditor company that the Company uses services in the past two years.

3. More than half of the directors must have the experience in the field concerning with the Company's business.

### 1.3 Independence of Directors

The Board of Directors has duty to consider, provide opinions, make decisions, and cast a vote. If the Board's decisions fall under pressure from duties or family or any vested interest, such decision may be distorted for the side of oneself or close persons, or for own interests. Independence of director is therefore definitely recognized in order to protect the interests of shareholders. The independent director must be allowed to access financial and business information adequately to freely provide recommendations, and is required to maintain the interests of related persons, to attend the meeting regularly and to have a meeting among each other at least twice a year. The Company has defined the qualifications of the independent director in accordance with the ones prescribed by the Capital Market Supervisory, the Securities and Exchange Commission and the Stock Exchange of Thailand, and other qualifications as defined by the Company so that the independent director can oversee the interests of all shareholders equally, prevent conflict of interest and freely express opinions in the meeting. The defined qualifications of the independent director are as follows:-

- Not holding more than 5% of the total outstanding voting shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- Neither being nor having been an executive, employee, wage earners or advisors or who receive a salary, or personal consultant of person who gets authorization to manage the Company, its subsidiary or associated company, unless the foregoing status ended not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, e.g. customers, business partners, creditor and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment.
- Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- Neither being nor having been an auditor of the Company, subsidiary, associated company, major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary,

associated company, unless the foregoing relationship ended not less than three years from the date of appointment.

#### 1.4 The Board of Directors

The Board of Directors must perform duties with integrity, transparency, fairness, and care. The Board's duties and responsibilities are separated into two parts as follows:

##### 1. Define directions, policies, and the business strategies

- Control and supervise the business operation of the Company to strictly adhere to applicable laws, objectives, rules, articles of association and resolutions of the meeting of shareholders, maintain the interests of the Company and its shareholders according to the good corporate governance principles.
- Define vision, mission, direction, and strategies of the Company; review such vision, mission regularly and grant approval at least every five years to ensure that vision, mission are in line with the Company's business plan.
- Supervise the Company's business conduct in compliance with the rules and regulations of the related agencies; take responsibilities and maintain interests of the shareholders; disclose information adequately, correctly, completely, transparently and with standard to shareholders and all related parties.
- Approve key strategies, policies, financial goals and business plan and monitor compliance with the defined work plans.
- Consider and approve annual budgets for investment and operation as well as the utilization of the Company's resources.
- Ensure that the Company has a suitable compensation system or mechanism for senior executives to induce short term and long term motivation.
- Arrange for an annual ordinary meeting of shareholders within 4 (four) months from the last day of the fiscal year of the Company and if necessary, arrange an extraordinary meeting of shareholders.
- Hold the Board of Directors' monthly meeting in which at least half of the directors must participate. The resolution of the meeting will take into account the majority of votes. If the number of votes is equal, the chairman will cast the decisive vote
- Provide consultation, discuss problems in a thorough and extensive manner and make a decision the matters according to the Meeting agenda discreetly.

- Give authorization to Chief Executive Officer/President to operate the Company's business as well as to employees working in coherence with the business situation.

#### 2. Monitor the operation of the management for checks and balances by the following ways:-

##### • Disclosure of the Company's information

- Set up efficient and effective accounting system, financial report, auditing, internal control and internal audit system.
- Ensure that the Company puts in place proper systems to communicate with each group of shareholders and stakeholders
- Ensure that information disclosure is correct, clear, transparent, reliable and in line with high standard.
- Prepare a balance sheet, cash flow statement and profit and loss statement as the last day of fiscal year of the Company and propose same to the meeting of shareholders at the annual ordinary meeting for consideration and approval of the said balance sheet, cash flow statement and profit and loss statement. The Board of Directors shall arrange for the auditor to complete the auditing prior to propose same to the meeting of shareholders.
- Arrange for a report on important financial and general information in a correct, complete and sufficient manner to shareholders and confirm the verification of information reported.
- Monitor, supervise and solve problems arising from transactions which may lead to conflicts of interests and related transactions.

##### • Internal Control and Risk Management

- Establish proper risk management and ensure that the management has effective systems or procedures for risks management.
- Ensure that the Company has proper internal control, internal audit, financial control system, operation, operating compliance, risk management and risk management control.

##### • Determination of the Board of Directors' remunerations

- The Board of Director has the duty to present the remunerations of the directors to the annual general meeting of shareholders for consideration and approval.

### 1.5 Appointment and Removal of the Board of Directors

The Nomination and Remuneration Committee shall propose the Board of Directors the nomination of director and the Board shall present it to the Shareholders' Meeting for appointment which shall be according to the criteria and methodology stipulated in the Articles of Association of the Company as detailed below:-

1. The Board of Director elected by the meeting of shareholders shall consist of not less than 5 (five) directors. At least 3 (three) must be independent directors and one member must be knowledgeable in financial and accounting. Not less than one - half of all members of director shall have residence in the kingdom. Directors must have qualifications as defined by laws and regulations.
2. The meeting of the shareholders elected qualified director who is nominated by the Nomination and Remuneration Committee and proposed to the shareholders by the Board of Directors according to the following rules:-
  - (1) Each shareholder shall have one vote for each share held.
  - (2) Each shareholder shall exercise all of his/her voting rights that he/she has under clause (1) to elect one or several persons as director (s), but he/she may not allot his/her votes to any person in any number.
  - (3) The persons receiving the highest votes shall be elected as directors in respective order of the votes for the number of directors of the Company, or for the number of directors which should be elected at such election. In case of tie votes causing the number of person elected to be in excess of the number to be elected at such meeting, the chairman shall have a casting vote.
3. At every annual ordinary meeting of shareholders, one-third (1/3) of the directors of the Company shall retire from the office. If the number of directors cannot be divided into a multiple of three, the number of directors nearest to one-third (1/3) shall retire. The directors to be retired from office in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the director who has held office longest shall retire.
4. Any director who intends to resign from the office shall submit a resignation letter to the Company. The resignation letter shall become effective from the date on which the Company receives the resignation letter.
5. The meeting of shareholders may pass a resolution removing any director from office prior to the expiration of the director's term of the office, by a vote of not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who

have shares totaling at not less than a half of the number of shares held by shareholders attending the meeting and having the right to vote.

### 1.6 Authorities of the Board of Directors

The Board of Directors must perform duties in compliance with laws, objectives, the articles of association, the resolutions of shareholders' meeting, with integrity and prudence, in the best interests of shareholders in both short term and long term as well as shall adhere to the rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Commission established in pursuant to The Securities and Exchange Act B.E. 2535 (1992) as amended by The Securities and Exchange Act (No.4) B.E. 2551 (2008).

1. The Board of Directors is empowered to appoint one director as Chairman of the Board and appoint one or several directors as vice chairman as deemed appropriate.
2. The Board of Directors is empowered to appoint one director as Chief Executive Officer/President and appoint any person to be Company Secretary as deemed appropriate.
3. The Board of Directors has right to participate in any trainings or activities in order to increase knowledge on relevant work by using the Company's resources.

### 1.7 Delegation of Authorities by the Board

Two directors with signatory power jointly affix their signatures for the Company to authorize other persons to perform the business on behalf of the Company within a certain period. In this regard, the delegation of authority and responsibility by the Board of Directors will not be the delegation or sub-delegation of authority in such a manner that enables the Board or its attorneys to approve any transactions for oneself or for any person with potential conflict (as defined in the Notification of SEC) for both the Company and subsidiaries. The approval authorities of the Board of Directors are as follows:

- Consider and approve the acquisition or disposition of assets unless such transactions must be approved by the meeting of shareholders. Such approval must be in accordance with notifications, regulations and/or rules relating to the Office of the Securities and Exchange Commission.
- Consider and approve the related party transactions unless such transactions must be approved by the meeting of shareholders. Such approval must be in accordance with the notifications, regulations and/or rules relating to the Office of the Securities and Exchange Commission.
- Have the power to consider and approve any loans or loan application from financial institutions or determine new amount of overdraft (O/D)

as well as payment for investments or land acquisition in the amount with more than Baht 200 million per transaction.

### 1.8 Meeting and Quorum

The Company holds the Board of Directors' meeting once a month and may convene an extraordinary session if necessary. The Company requires the directors to attend the meeting every time except in case of necessity. The meeting will be pre – schedule with exact date, time and agenda details all year round. The meeting invitations specifying agenda details together with the supporting documents shall be sent to all directors at least seven days ahead of the meeting to allow them with enough time to study before the meeting, except in case of emergency to protect the company's interest. The Company prepares and completes the minute of the Board of Directors' meeting within 14 days from the meeting date and retains the minutes of the meeting certified by the Board of Directors in full along with other documents. All directors can check the minute of the meeting anytime by making request with the Company Secretary.

1. To form a quorum in the meeting, at least half of the directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.
2. The resolution of the meeting will take into account the majority of votes,
3. One director has one vote, except director with vested interest in any agenda item must abstain from voting on that item. If the number of votes is equal, the chairman will cast the decisive vote.
4. The chairman or the assigned person sends the meeting invitations specifying date, time, venue and agenda details to all directors at least seven days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.

### 1.9 The Sub - Committees

The Board of Directors has appointed director who possesses proper knowledge and expertise as the sub-committee to assist the Board in studying and screening important matters that need close supervision and to give suggestions to the Board. The Sub - Committees comprise:

- The Corporate Governance Committee
- The Business Code of Conduct Committee

- The Audit Committee (All committee members must adequately possess knowledge and ability in financial and accounting to review the financial statements)
- The Risk Management Committee
- The Nomination and Remuneration Committee
- The Corporate Social Responsibility Committee

### Composition of the Sub - Committee

#### 1. The Audit Committee

The Audit Committee consists of at least three independent directors of the Board and has responsibilities in accordance with the Charter of the Audit Committee.

#### 2. The Corporate Governance Committee

The Corporate Governance Committee consists of at least six directors of the Board and at least half of the total members must be independent directors. The Corporate Governance Committee has the responsibilities in accordance with the Charter of the Corporate Governance Committee.

#### 3. The Business Code of Conduct Committee

The Business Code of Conduct Committee consists of at least four directors of the Board and at least half of the total members must be independent director. The Business Code of Conduct Committee has the responsibilities in accordance with the Charter of the Business Code of Conduct Committee.

#### 4. The Risk Management Committee

The Risk Management Committee consists of at least two directors of the Board. The Chairman of the committee must be independent director. The Risk Management Committee has the responsibilities in accordance with the Charter of the Risk Management Committee.

#### 5. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of at least four directors of the Board and at least half of the total members must be independent directors. The Nomination and Remuneration Committee has the responsibilities in accordance with the Charter of Nomination and Remuneration Committee.

#### 6. The Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee consists of at least two directors of the Board and at least half of the total members must be independent directors. The Corporate Social Responsibility Committee has the responsibilities in accordance with the Charter of the Corporate Social Responsibility Committee.

**Terms of Office of the Sub - Committees**

The Sub – Committees shall serve a term of office of 3 (three) years and may be re-appointed when the term is completed.

**1.10 The Executive Committee****Duties and Responsibilities of the Executive Committee:-**

1. Formulate guideline and strategies and oversee and the Company's business management and operation for maximum effectiveness and efficiency.
2. Review the Company's operational performance from time to time to find prompt solutions to achieve the planned business targets.
3. Evaluate and endorse annual budgets and large scale of investment projects of the Company before submitting to the Board of Director for consideration.
4. Set up organizational structure and carry out efficient management covering recruitment, trainings, employment, termination of employment and compensation of staff members, management and top executives.
5. Provide advice to the Board of Directors for making decisions on important issues and execute other duties as assigned by the Board of Directors.
6. Act as a representative under power of attorney to exercise business transactions on behalf of the Company with third parties.
7. Has the power to consider and approve the payment for investment in the amount not more than Baht 200 million per transaction.

Furthermore, 2 (two) members of the Executive Committee have the power to consider and approve any purchase not more than Baht 100 million per transaction. The exceeding amount of Baht 100 million but not more than Baht 200 million can be approved by the Executive Committee, and each member of the Executive Committee has the power to approve any purchase in the amount not more than Baht 500,000.

The above mentioned authorization of power to members of the Executive Committee must not be in such a manner as to be able to approve the transaction of interest of oneself or other persons who may have conflict or conflict of interest with the Company or its subsidiaries unless it is a normal business operation of the Company, and has been approved by the meeting of the Board of Directors, in which attended by independent directors and the scope of consideration has already been clearly outlined. Also, such authorization must be in compliance with the criteria of the Office of the Securities and Exchange Commission and the Regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

**Duties and Responsibilities of the Chief Executive Officer of the Executive Committee**

1. Manage and operate the Company's business in accordance with the policies and authorities defined by the Board of Directors.
2. Set up business targets, either long or short term, on the annual business plan including expenses budgets and long-term strategic plan and submit to the Board for approval; has duty to report progress of the approved plan and budgets to the Board every 3 (three) months.
3. Manage work operation through the hierarchy to achieve the objectives set on the Business plan by creating competitive competency and providing proper returns to shareholders.
4. Allocate resources and recruit potential workforce and then use them for the utmost benefit.
5. Assign, appoint, remove, transfer, change staff's position; reduce, cut salary or wages; conduct disciplinary punishment; and dismiss employees according to the regulations of the Company's Human Resources Management.
6. Promote and build up strong corporate culture to support the vision and the business growth.
7. Monitor closely the Company's business operation, evaluate operating results and report matter undertaken by the management to the Board of Director in timely manner.
8. Consider and screen the Company's policies, business directions, undertaken matters that may affect the Company's business and matters relating to applicable laws and regulations of the Stock Exchange of Thailand; and present to the Board for approval.
9. Prepare the documents detailing the operating authority for decentralization to employees to enable them to perform their duties efficiently and flexibly without losing control and submit to the Board for approval.
10. Prepare report of financial status and financial statements and submit them to the Board for consideration and approval quarterly.
11. Has the power to approve any purchase in the amount more than Baht 500,000 per transaction.

The above mentioned authorization of power to the Chief Executive Officer must not be in such a manner as to be able to approve the transaction of interest of oneself or other persons who may have conflict or conflict of interest with the Company or its subsidiaries unless it is a normal business operation of the Company, and has been approved by the meeting of the Board of Directors, in which attended by independent Directors and the scope of consideration has already been clearly outlined. Also, such authorization must be in compliance with the criteria of the Office of the Securities and Exchange

Commission and the Regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

#### 1.11 Nomination of the Board of Directors

The Board of Directors has appointed the Nomination and Remuneration Committee to perform the duty to select and screen the persons for being nominated and appointed as director taking into considering of the proper proportion, numbers and composition of the Board. The Nomination and Remuneration Committee has systematically defined criteria and procedures of the nomination by giving a chance to shareholders to nominate persons in advance to be elected as directors by the annual general meeting of the shareholders, proposing the Board of Directors to set up specific committee comprising of the Board or third party to nominate person, or in some cases using director pool of Thai Institute of Directors (IOD) for consideration of the persons to be nominated.

For the selecting criteria, the Board of Directors shall select and screen persons with suitable qualifications to be director. Directors must be knowledgeable qualified and expert from various fields and in line with the Board Skill Matrix. The Company has defined four necessary skills for director nomination detailing in the policy of diversity on Board's structure as follows:-

1. Engineering skill
2. Accounting, financial and banking
3. Marketing strategy and competition skill
4. Legal skill relating to business

In addition, the Company has defined the qualifications of directors as the manual for consideration of director's nomination as follows:-

1. possess leadership
2. possess broad vision
3. possess ethics and morality
4. possess transparent work experience without malfeasance
5. must not possess any prohibited characteristics pursuant to the law
6. possess the ability to express opinions independently

The Nomination and Remuneration Committee shall make decision based on informed judgment, maturity and stability, be good listener, express opinions differently and independently, have integrity and accountability, is committed to work with principles and standard like a professional and shall purpose the list of qualified persons to the Board of Directors for consideration before submitting to the Shareholders' meeting for consideration and approval.

#### 1.12 Succession Plan

The Company complies with a policy on succession plan, deeming as a part of the manpower placement strategy and a subtask of human resource planning strategy. The Company has a proper and transparent plan to recruit personnel into important positions at all managerial levels to ensure that the Company has a professional management team. Accordingly, the Company has assigned the Nomination and Remuneration Committee to prepare position succession plan of the President and Managing Director of the Company in order to propose to the Board of Directors for consideration. The Nomination and Remuneration Committee has monitored the succession plan covering the following positions.

- **Chief Executive Officer / President and Managing Director Level**

In the event that the positions of the Chief Executive Officer/President and the Managing Director are vacant or the individual in such positions cannot perform their duties, the Company has an arrangement whereby executives in a closely comparable level or their deputy shall act on their behalf until the selection process for the qualified replacements is completed. The criteria for such selection shall be based upon suitable qualifications as prescribed by the Company, as well as other qualities such as business vision, knowledge, proficiency, and experience, that well suit the Company's corporate culture. The Nomination and Remuneration Committee shall be responsible for the selection process and submit their final choice to the Board of Directors for approval and further appointment.

#### 1.13 Orientation for New Director

The Company recognizes the importance of duty performing of new directors and has therefore defined the practical guideline on preparation for duty performing of directors to enable new directors to know the Company's expectations of their roles, duties, responsibilities, the Company's policies, business and corporate governance practices. These include enabling them understand about the Company's business and operation, as well as to visit its business units for being prepared to perform the duty of director promptly as follows:-

1. Coordinate in providing of the Company's data in legal area and others to the Board of Directors
2. Submit "Directors Guidebook" to new directors, the guidebook contains the Company's information and relevant crucial laws which will be useful for members of the Board of Directors. The Company Secretary is responsible for coordinating to deliver this guidebook to the Board of Directors. Contents of the guidebook are as follows:-
  - 1) Articles of Association of the Company

- 2) Objectives of the Company
  - 3) Affidavit of the Company
  - 4) Public Company Limited Act
  - 5) Securities and Exchange Act
  - 6) Guidebook for Directors of Listed Company
  - 7) Charter of the Board of Directors and of the Sub – Committees
  - 8) Business Code of Conduct of Directors
  - 9) Manual for Corporate Governance Policy and other policies of the Company
3. Arrange meetings with the Chairman, Board of Directors, sub-committees and executives to make them informed of the Company's business operation for using as their principles in performing duty. The presentation is made as a whole picture and in details under the following topics:
- 1) The Company's vision, mission and history
  - 2) The Company's strategy and goals
  - 3) Management structure
  - 4) Operating data and the Company's activities
  - 5) Roles, duties and responsibilities of directors
  - 6) Good corporate governance policy
  - 7) Summary profiles of other directors and executives
  - 8) Qualifications and remuneration of directors

#### **1.14 Holding Position of Director in Other Companies by the Company's Director**

The Company complies with a policy on restriction of number of director positions in other companies that the Company's director can take. If the director takes too many director positions in other companies, it may affect the performance of duties for the Company. The Company's Board of Directors has, therefore, established the policy on holding of position of director in other companies by the Company's director for utmost benefit of the Company in order for them to devote more time to perform their duties efficiently as follows:-

1. Director can hold positions in Nawarat Patanakarn Public Company Limited and its subsidiaries and associated company.
2. To be a director in other companies, of which the business is similar to or competitive with the business of the Company, a request must be submitted for opinion of the Audit Committee prior to submission for approval by the Board of Directors and the shareholders respectively before being appointed to such position.
3. The holding of position of director in any organizations other than specified in Clause 1 which when combined must not be more than 5

places and must inform and be approved by the Board of Directors' meeting before being appointed to such position.

#### **1.15 Performance Evaluation of the Board and of the Sub-Committees**

The Board of Directors shall conduct annual assessment of the Board and the sub-committees at least once a year. The evaluation form shall be in accordance with the Company's good corporate governance principles and the scope of the Board's responsibilities. The evaluation results will be used for reviewing performance, problems or difficulties in the past year for improvement and increase of the Board's efficiency. The assessment of the Board will be made in a whole and on an individual basis.

After the completion of each director and committee's assessment, the results shall be submitted to the Company Secretary to gather and analyze in order to set measures to further improve effectiveness of the Board's performance and shall be reported to the Board in the next meeting.

#### **1.16 Remuneration of the Board of Directors and the Sub-Committee**

The Company has defined the policy on remuneration of the Board of Directors and the Sub – Committees. The Nomination and Remuneration Committee shall consider and scrutinize remuneration of the Board of Directors and the Sub – Committees within the same nature of business and present to the Board of Directors. The Board of Directors shall approve the remuneration of the sub-committees and the shareholders shall approve the remuneration of the Board.

#### **1.17 Development and Knowledge Accumulation for Directors and Executives**

The Board of Directors seriously supports and promotes knowledge development for every director for their efficiency in duty performing. It's the Company's policy to encourage its directors, executives and those supporting the company secretarial works to attend seminars and training courses of Thai Institute of Directors (IOD), the Stock Exchange of Thailand, or other independent institutions, ranging from the development in part of the duties and responsibilities of directors, or new management concept, so that every director will continue to develop and improve their works, as well as to apply the knowledge properly for further benefit to the Company.

#### **1.18 Company Secretary**

##### **1. Qualification and Experience of the Company Secretary**

The Company's Secretary has a key role in supporting and overseeing the Board's activities to be efficient, effective and in consonance with law, rules, regulations, and corporate governance principles. The Board of Directors shall appoint a qualified person in

this position based on his/her knowledge and understanding of the Company's business operation under applicable legislation and criteria such as the Memorandum of Association, the Articles of Association, the Securities and Exchange Act, the Public Company Limited Act, the code of conduct and the corporate governance policies.

In addition, the Company Secretary should have good interpersonal skills and ability to liaise with directors, executives and shareholders efficiently and effectively to enable the Board's related activities to proceed smoothly in line with the resolutions of the Board and the shareholders.

## 2. Duties and Responsibilities of the Company Secretary

To support and oversee the Board's activities to proceed efficiently and effectively, the Company has defined the Company Secretary's duties as detailed below:-

- Prepare and file documents concerning the list of directors, the Company's annual report, invitation letters for directors' meeting, minute of the Board of Directors' meeting, invitation letters for shareholders' meeting and minutes of shareholders' meeting.
- File report of vested interests of directors or executives.
- Send the copy of reports of vested interests of directors and executive or related person to the Chairman and the Chairman of the Audit Committee within 7 (seven) days after receiving of the report.
- Arrange the meeting of the Board and of the shareholders under related rules, regulations and law.
- Provide advice for the operation of the Company and of the Board under the Memorandum of Association, the Articles of Association, the Securities and Exchange Act, the Public Company Limited Act and other related laws.
- Act as a focal point for exchange of news and information among directors, executives and shareholders.
- Coordinate and follow up operation under the resolutions of directors and shareholders.
- Oversee disclosure of information and reports under relevant responsibilities to the monitoring agency as specified by the rules and regulations of the authority.
- Perform other duties as announced by the Capital Market Supervisory Board or as assigned by the Board.

## 2. Guidelines for Management and Internal Control

### 2.1 Good Corporate Governance and Business Ethics

The Board of Directors has imposed the good corporate governance and business ethics as the guidelines for all directors, executives and employees to operate the Company's business within standards, transparency, efficiency, ethics and accountability, and maintain the right of stakeholders to receive interests in fair proportion to create credibility and acceptance in general. Directors and executives must be good leaders. The Board of Directors has also established the department to take responsibilities in enhancing knowledge and understanding, monitoring and reviewing for the sake of completion.

### 2.2 Internal Control

The Company imposes verification and report on internal control system and assigns the Internal Audit Department, which is independent unit to check the Company's internal control system. The Company has established practice handbook, regulations, defines duties and responsibilities clearly, and communicated with the internal staff of the Company. The Company also stipulates policy and method for personnel management relating to the internal control; create control activities consisting of verification of financial and non – financial operation, protection of assets with high risk and control of information technology; and conduct assessment, both during operating process and each time, continuously and consistently. The internal control system of the Company is in line with the international standard of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) which consists of the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

The Board of Directors recognizes the importance of the internal control of every process, arranges for segregation of departments and positions and decentralization by defining authorities of executives and staff clearly and suitably in order to counterbalance the protection of shareholders' capital and the Company's assets. The internal control system of the Company covers financial statement report, operation, property maintenance and any conduct in compliance with relevant laws, rules and regulations. The Board of Directors assigns the Audit Committee to examine outcome of the internal control assessment to ensure efficiency, effectiveness, sufficiency and suitability for business conduct of the internal control system as well as to maintain assets and efficient usage of resources in order to prevent damage or fraud.

The Head of Internal Audit Department shall be appointed by the Audit Committee and has qualifications to efficiently perform duties in evaluating the internal control system, work performance and providing recommendation for

improvement to ensure that the Company operating process is efficient, effective, and cost saving according to the COSO internal control framework.

### 2.3 Internal Audit

The Board of Directors has established the Internal Audit Department within the Company with direct report to the Audit Committee. The Internal Audit Department performs duties independently, righteously and in compliance with the defined code of conduct and aspiration of the Internal Audit Department. The Internal Audit Department has set objectives, main engagement, scope of operations, authorities, duties, and responsibilities in writing in the Internal Audit Charter approved by the Chairman of the Audit Committee and has evaluated sufficiency and effectiveness of internal control system and risks in the Company.

### 2.4 Risk Management

The Board of Directors has established policy on risk management by setting up the process of risk management covering the risk in terms of strategy, credit, liquidity, law, corruption, operations on policy, finance, external situations in order to manage risk in a systematic manner. This will reduce the risk factors that affect the success of the Company to be at an acceptable level an in consistent with the strategic plan of the Company. The risk management policy covers:

- causes of risks affecting the Company in financial and non-financial aspects, and provide a review of the risks every time there is a change of various factors affecting the capital fund of the Company;
- categories of risks and determine the risk appetite to be used as a basis for responding to the risks of the Company;
- assessment of risks by adding measures for risk assessment to achieve greater accuracy in terms of both quantitative and / or qualitative aspects;
- management of risks and monitoring each category of risk according to the priority by arranging for monitoring of risks on a quarterly basis.

The Company communicates the policy on risk management to executives and employees through the channels of internal emails and the Company's website; informs new employees on the starting date of working as well as requires each department to conduct self – assessment on risk and corruption risk once a year so that each department is able to define methods of risk management efficiently.

### 2.5 Compliance

The Company recognizes the importance of compliance which is the key mechanism to improve correctness and prudence of every operational

procedures and steps, enhance the Company to operates in accordance with strategic plan, and achieve the goals. The Board of Directors assigns the Internal Audit Department and the Quality System Department to supervise and monitor the implementation in compliance with the relevant laws and regulations under the supervision of the Company Secretary Office.

### 2.6 Conflict of Interest

The Company has defined the policy on conflicts of interest as follows:-

1. All directors, executives and employees must not seek any benefits from information available from their positions, duties or responsibilities and must not utilize any assets or information for personal gains or for competition with the Company's business.
2. All directors, executives and employees with vested interests in any transaction must not take any part in the consideration and approval of that transaction. The Company completely discloses related party transaction in its Annual Report (Form 56-2) and Annual Registration Statement (Form 56-1).
3. In case that employee is involved with any business or situation that may raise conflicts of interest, employee must report that matter to his/her supervisor without delay.
4. To make business decision, the maximum benefit of customers and shareholders must be taken into account, and not to let personal reason or family members to influence the decision that will be a deviation from the above principles.
5. Directors, executives and employees must avoid participating in any activities that may raise conflict of interest to the Company, or create monetary obligation with the Company's related parties or employees.
6. The Company forbids its directors, executives and employees from undertaking or participating in any business that is in competition with the Company's business, regardless of whether such directors, executives and employees will receive either direct or indirect interests. It is clearly indicated in the Company's Business Code of Conduct. However, to conduct related party transaction or transactions with conflict of interest, the Board of Directors has laid as a policy that they must be considered and approved by the Board before proceeding. In addition, the information on details of transactions, transaction value, reasons and the need must be disclosed in the annual registration statement and the annual report as per the rules of the Stock Exchange of Thailand and the office of the Securities and Exchange Commission. The meeting must also be attended by the Audit Committee to ensure that the related party transaction are conducted fairly, reasonably, and with proper pricing

policy, taking into consideration the maximum benefit of the Company.

7. All employees must disclose the situation believed that may constitute conflict of interest. If employee suspects there are conflicts of interest or anything making other persons believe that it is conflict of interest, he/she must promptly inform his/her supervisor. Supervisor and employee can consider conflict of interest mutually by using “Conflict of Interest Disclosure Form”. After getting advice from supervisor, such employee shall submit a copy of the form to the Internal Audit Department.
8. Whenever employees discover the business opportunity from the utilization of the Company’s assets or information, the employees must present such opportunity to the Company before taking it. Supervisor will report the Management for consideration whether the Company would like to take such opportunity. If the Company disclaims such business opportunity, employees can take it under the defined terms and conditions in accordance with the Company’s ethical guideline.

## 2.7 Related Transaction

The Company complies with a policy on related transaction and sets regulations, process for consideration and approval of transactions as well as disclosure of information in accordance with the regulations and Notifications of the Committee of the Stock Exchange of Thailand Regarding Disclosure of Information and Operations of Listed Companies Concerning Related party transaction B.E. 2546 (2003).

## 2.8 Performance Assessment of the President

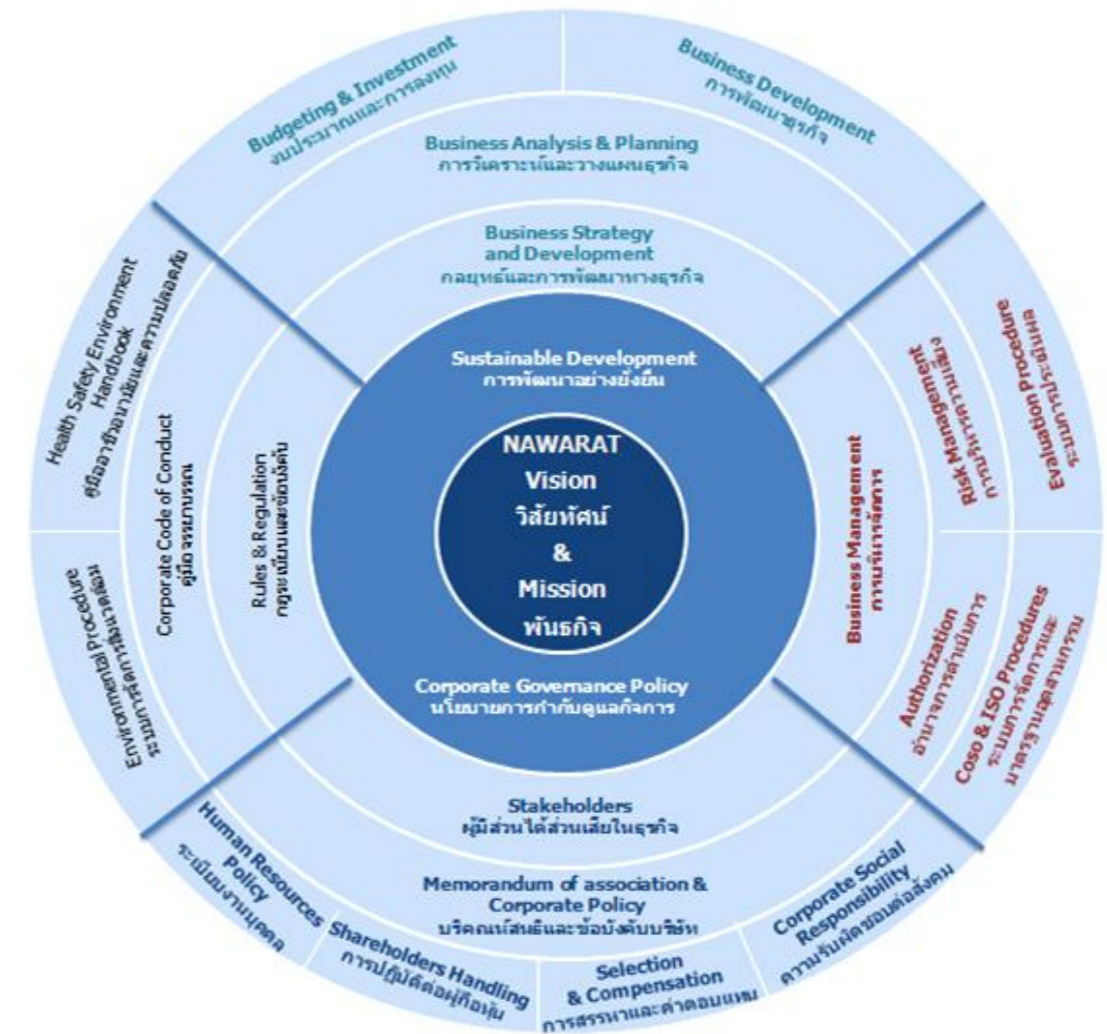
For assessment of the President who is the top executive of the Company, the Company has required other directors, except director who holds the positions as President, to conduct assessment and submit the results to the Nomination and Remuneration Committee to consider the remuneration as money and propose to the Board of Directors for approval. The performance assessment of the President must be held once a year using the assessment criteria as follows:-

1. Management in accordance with the vision, mission, business goals and annual business plans
2. Development of human resource and establishment of the corporate culture for sustainable business growth
3. Development, promotion and strengthening the corporate culture
4. Compliance in accordance with the principles of good corporate governance

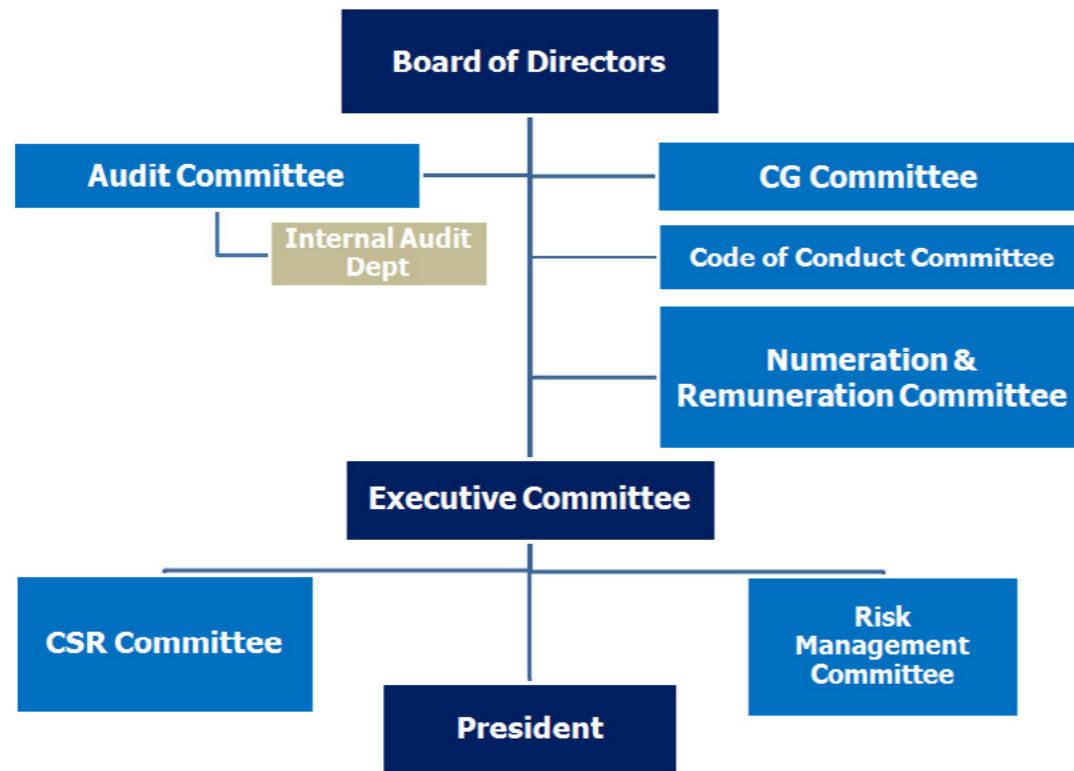
5. Operation and management according to policies relevant to shareholders, Board of Directors, applicable laws and regulations of the Stock Exchange of Thailand.
6. Internal management to reduce the risk of fraud and corruption

## Corporate Governance Structure

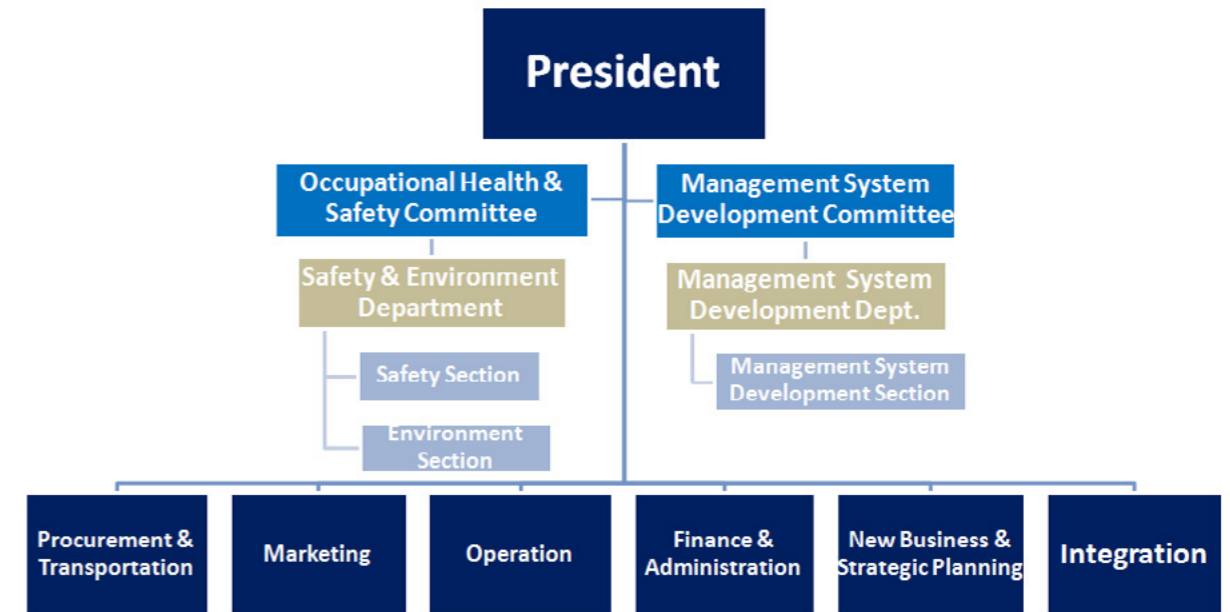
## Appendix



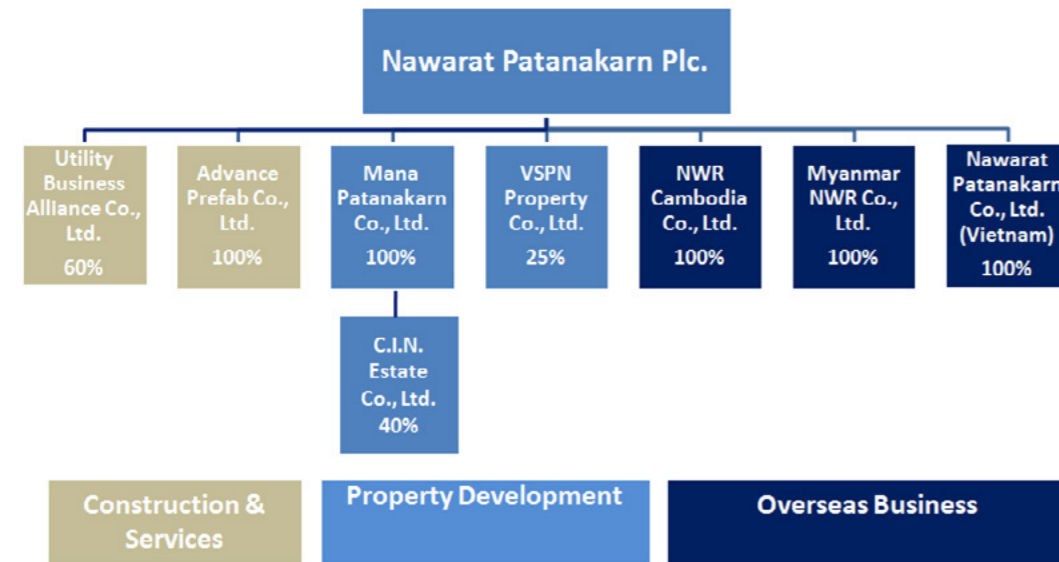
## Board Structure for Corporate Governance



## Management Structure



## Business Structure



Note: % = shareholding



## Business Code of Conduct Handbook

**Nawarat Patanakarn Public Company Limited**  
(CC - 02)

Revision 02

Date: 29/04/2021

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## Message from Chairman

In 2020, Global has severely faced the outbreak of novel Coronavirus (COVID19), which has never happened since the disease outbreaks of SARS and MERS. The previous outbreaks were under controlled and widespread only in the short period, while controlling COVID-19 pandemic across the globe has not been done yet. From the end of 2019 to the end of 2020, it has now infected more than 64 million people and more than 1.5 million people have died. COVID-19 caused the enforcement of preventive health measures and restrictions to limit the spread of cases such as international flights ban, prohibition of travel between cities, ban on gatherings, closure of services in various locations, quarantine, and disinfections. However, the mentioned measures became successful only in some country. The global efforts to develop vaccine still takes times on testing process and tends to be available for usage in year 2021. Moreover, the intense competition between the United States and China regarding trade and politics issues became the negative factors to the global economy. Economic slowdown in many countries caused high number of unemployment, decreasing in international trade, highly impacted on travel, aviation and logistic sectors, including corporate bankruptcies. In Thailand, the Government has promptly responded to the situation by declared the state of emergency and issued strict preventive measures. Thanks to Thai population who complied with the preventive measures, thus the spread of pandemic was under controlled. Consequently, the economic activities and services were able to resume in the New Normal way. Nevertheless, international flights and borders are still suspended for prevention, which are main cause for economic impact. Office of the National Economics and Social Development Council forecasted that Thailand's GDP will be shrank 6 percent in 2020 and produced its outlook for 2021 that the GDP will gradually grow 3.5- 4.5 percent.

According to the above situation, the Company has assessed risks and implemented various measures in accordance with the Government's measurement and publication, including prepared business continuity plan and operation procedure for construction sites and office. With this preparation, the Company will be able to keep the business moving and ensure each Company's unit strictly comply with the provided procedure. The Government policy is another factor that drive the Company's business to move forwards. The Government has focused their investment in infrastructure projects such as land, air and water transportation, including the investment in infrastructure development in Eastern Economic Corridor (EEC). However, the Government has to manage the critical situation of pandemic as the first priority, it caused many projects to be delayed in bidding, signing off and construction. On the other hand, the Government's mega projects especially on transportation which already awarded the bidding, for instance, high-speed train, sky train, double-track railway, motorway, sea port and airport are expected to grow higher this year comparing with the private sector's construction. The construction by private sectors have slowed down significantly due to postponement of projects or financial problems, which reflected on residential, economic building and manufacturing industries.

Thailand's construction industry in the third quarter has slightly expanded with the contribution of Government sector. The residential construction started to slow down due to the smaller number of new residential projects in Bangkok and suburban area, compared to the previous year. The massive projects of economic buildings' construction in Bangkok have begun, but the expansion rate in suburban area was slower. Materials' price decreased 1.7 percent in relation to decreasing of price of steel (decreased 8.1 percent) and concrete (decreased 2.2 percent).

The Company still strives **“to be one of Thailand's top five largest construction contractors with international standard, stability and sustainability together with responsibility to society and the environment”**. In this year, the Company was successfully awarded in the bidding of the new projects, thus the Company has the highest number of backlogs ever since the Company's establishment which its revenue will be continuously recognized in the next three years. The Board of Directors commits to create the growth of the organization continuously and the stability in long-term period, generate satisfactory returns to shareholders, stakeholders and all related parties, and to create value on the overall economy of the country. The Board also committed to conduct the business in accordance with the guideline of sustainable development in terms of economy, society and environment under the good corporate governance principle. The Company has the vision and mission to operate its business sustainability and prosperously by harmonizing with current situation and environment, including in line with other businesses trend in terms of operating and managing. In 2020, the Company earned 4-star Corporate Governance Rating and the certification from Thailand's Private Sector Collective Action against Corruption coalition (CAC). The Board regularly oversees and monitors the Management to perform their duties with carefulness, prudence and responsibilities to all stakeholders as well as provides them from time to time with recommendation on management of surrounding factors which have challenged the business operation in order to minimize risk to an acceptable level.

For the direction of the Company, the Company remains its operation in construction business, focusing on large-scale projects of the Government and private sectors which suit the Company's expertise. At the same time, the Company will continue to seek for works from the private sectors both in Thailand and in neighboring countries, namely Cambodia, Laos, Myanmar, and Vietnam (CLMV), which are enjoying their economic growth and are supported by financial institution such as World Bank, ADB, JICA and NEDA. Furthermore, the Company has conducted the business of pre-cast concrete products manufactured with the technologies from Europe and is also expanding its manufacturing capacity to meet the increased market demand in the Eastern Economic Corridor, which will be the hub for the country's economic growth. For the real estate business, the Company's strategy will focus on the demand in possible markets with a favorable growth rate. In 2021, the Company will make its paces in becoming an organization that has the potential at the international level to strengthen its foundation, prepare for the economic recovery and more intensive competition. In this regard, the Company shall improve its operation in all aspects, managing risks more efficiently and effectively, controlling construction and labor cost together with the quality of materials and equipment, enhancing the efficiency and effectiveness of work execution to acquire the quality and standard that meet the customers' highest satisfaction while optimizing the return on profits.

Moreover, the Company shall develop its personnel in both technical and management aspects on a continuous basis which shall include encouraging awareness of social and environmental responsibility, since they are valuable resources and key essential of sustainable growth.

The Board of Directors, executives, employees and subsidiary companies of Nawarat Patanakarn Public Company Limited would like to show our gratitude to all shareholders, bondholders, business partners, customers, all related parties, public and society for your support and trust in the Company as always. We do hope that we will continue to receive such honor, trust and good support. Kindly believe that we will keep on our commitment and dedication to conduct business with prudence, caution, transparency and in compliance with the principle of good corporate governance, the framework of sustainable development for the utmost benefits of all parties concerned and for becoming an organization with stable and sustainable growth in Thailand as defined in the Company's vision.

**Mr. Prasertphand Pipatanakul**

**Chairman**

## Objective of the Business Code of Conduct

Nawarat Patanakarn Public Company Limited conducts construction business and is committed to be the leading company, to create credible business operation toward investors and stakeholders, to add the Company's value and to conduct business with transparency on every stage.

To make it up-to-date and suitable with the changing situation, the Business Code of Conduct Committee agreed and approved to revise and update the Business Code of Conduct Handbook that is the first revision. The revision has combined policies on responsibilities, treatments of stakeholders as well as business operating principles within the framework of the international standard. The Business Code of Conduct will be used as the practical guidelines for directors, executives and employees to perform their duties efficiently to ensure that the Company can achieve goals of vision, and mission, and can maintain the ethic standards for the benefits of all stakeholders and for mutual sustainable growth.

## Definitions and Meanings

**Business Code of Conduct** refers to good practice and guideline which serves as the standard for the business conduct of Nawarat Patanakarn Public Company Limited with the aim to achieve business purpose and reflect values and culture of the organization.

**Company** refers to Nawarat Patanakarn Public Company Limited and its subsidiaries.

**Subsidiary** refers to a company in which Nawarat Patanakarn Public Company Limited has authority to control by holding more than 50% of its share with voting rights and having authority to control, either directly or indirectly, its management, majority votes in the shareholder's meeting as well as appointment or removal one - half of all members of directors.

**Associated Company** refers to a company in which Nawarat Patanakarn Public Company Limited holds, either directly or indirectly, 20 (twenty) percent but not more than 50 (fifty) percent of its share with voting rights and has authority to take part on decision of financial and operating policies, but has no authority to control such policies.

**Directors** refer to Directors of Nawarat Patanakarn Public Company Limited and its subsidiaries.

**Executives** refer to executives from manager level upwards, including Managing Director and President of Nawarat Patanakarn Public Company Limited and its subsidiaries.

**Employees** refer to permanent employees, probationary employees and contractual employees of Nawarat Patanakarn Public Company Limited and its subsidiaries.

**Permanent Employee** refers to employee who has been hired by the Company for a position and is entitled to get monthly salary or daily wages.

**Probationary Employee** refers to employee who has been employed by the Company for probation for a period of 119 days from the starting date. When the probationary period is completed, if performance is satisfactory, such employee will be put in a position as permanent employee by receiving notice from the Company, but if performance is unsatisfactory, the company has right to terminate employment without any compensation payment. For this case, the Company will inform in advance within the period defined by law.

**Contractual Employee** refers to employee hired by the Company under the contract for a specific period of time

**Corruption** refers to performing or refraining from performing duties or abusing of authority by position in all forms, such as offering and acceptance of bribe, presenting and promising to give, demanding or requesting assets, money, materials, privilege or other benefits, which is not in compliance with ethics, morality, laws, rules, regulations, and policies, to/from public official or other party operating business with the Company, its subsidiaries and associated company, either domestically or international, so that such person could proceed or disregard his/her duty in order to acquire, retain the business, recommend specific company to the entity, or achieve or maintain any improper benefits for oneself, organization or related persons.

**Bribe** refers to valuable thing including money, gratuities, sponsorship, hospitality, privilege or other benefits offered to someone for his/her own benefits or for influencing or inducing him/her to conduct, decide or not to decide on any matters with the purpose to run business with the organization such person is working or take improper advantage from such person or from organization such person is working

**Conflict of Interests** refers to any activity or circumstance in which a person has a private or personal interest or of those related which influences the performance of duties towards and the utmost benefits of Nawarat Patanakarn Public Company Limited

**Inside Information** refer to information which have not been yet disclosed to the public for the purpose of the Company's use, not personal use, information temporarily kept by the Company as well as information about strategies, policies, working plan, targets, operation results and revenue of the Company

**Gifts, Gratuities** refer to a valuable thing such as asset or others non – monetary willingly given to someone for courtesy, or rewarding, or affection, or assistance, or incentive or etiquette, for example, New Year present, birthday gift, etc.

**Other Benefits** refer to valuable item or other returns which are not money and assets such as discount, entertainment, service, training or any other item of similar nature

**Sub - contractors** refer to a person or business which has a contract with a principal contractor (herein means Nawarat Patanakarn Public Company Limited) to provide whole or some portion of works which the contractor has agreed to perform for the interest of employer. This includes a person or business which makes a contract with a sub – contractor to provide work which the sub – contractor has agreed to perform.

**Stakeholders** refer to a party relating to Nawarat Patanakarn Public Company Limited and its subsidiaries in various manners such as shareholder, public sector, business partner, customer, competitor, creditor, debtor, auditor, employee, community and society

## Vision, Mission and Values

### Vision

A corporate with passion to grow as a leader in construction and diversified promising business base on valuable contribution to the prosperity and social responsibility of all.

### Mission

1. Perform S.M.A.R.T. Specifi; Measurable; Applicable; Realistic; Timely
2. Comprehensively conduct construction and other business with integrated values and have stable profitability
3. Manage business professionally with modern technology for sustainable growth
4. Operate with perseverance and with high competency under international standards and timely delivery
5. Manage business under the corporate governance principle and operate with integrity under the code of conduct to all stakeholders
6. Health and safety are fundamental values of our organization on which we remain dedicated to further raise awareness and commitment at all levels
7. Recognize the importance of the employees as human capital, encourage development of competency and cooperation among employees at all levels by establishing tangible motivation systems giving opportunity and empowering young professionals to achieve aspired career
8. Always committed to a good corporate social and environmental responsibility Values

### Core Value

- Change: Knowing the needed Changes. Leading the Changes. Willing to Change.
- Collaboration: Contributing, Coordinating & Cooperating Professionally with Trust and Respect
- Can do: Everything is Possible. Creating, Encouraging, and Inspiring to Fulfill the Goals.
- Commitment: Passion for Perseverance in Achieving Objectives.
- Champion: Striving to Achieve Beyond Expectation Performance for Excellence.

## Code of Conduct Guidelines

1. Directors, executives and employees at all levels shall have duties to strictly and continuously implement and maintain the Code of Conduct; not stimulate, encourage or support others to violate the Code of Conduct; shall not ignore whenever any conduct against the Code of Conduct is found; must not impede but must corporate to the investigation process when the accusation against the Code of Conduct is raised; and must not perform unfair labor practice to the person who is accused of performing non-compliance with the Code of Conduct.

2. Directors, executives and employees at all levels are responsible to acknowledge and understand content in the Code of Conduct, particularly related to their tasks as well as regularly update the knowledge and understanding of the Code of Conduct.

3. Directors, executives and employees at all levels are in the position to acknowledge correct understanding to the persons perform duties related to the Company

4. In case of doubts or inquiry, employees shall consult supervisor or persons authorized by the Company to be responsible for the compliance of the Code of Conduct such as the internal auditor, the Business Code of Conduct Working Team, the Audit Committee, the Business Code of Conduct Committee

5. Directors, executives and employees in all levels shall corporate with persons assigned by the Company in any investigation

6. Supervisor at all levels shall serve as role model, pursue the highest standards of the Code of Conduct and encourage a work environment of good governance

7. When discovering any violation or malpractice of the Code of Conduct, executives and employees must notify their superiors, or Human Resources Manager, or Internal Audit Manager, or the Corporate Governance Committee, or the Business Code of Conduct Committee or through the following channels

#### 1. For internal grievance, suggestions and complaints by employees

Contact: Mrs. Charutsri Naosuk

General Manager of Human Resources Department

Tel: 02 7302100 ext 2147

E-mail: n\_charutsri@nawarat.co.th

Or contact through the employees' suggestion box which provided in each workplace.

**2. For external grievance, suggestions, and complaints from external or outsider**

Contact: Mr. Kridchai Suthiluck Manager of Environmental Business Unit  
Tel.: 02 7302100 ext. 2312  
E-mail: s\_kridchai@nawarat.co.th  
Or contact through the employees' suggestion box which provided in each workplace.

8. If any complaints are received, responsible persons receiving those complaints shall gather information and relevant fact by him/herself or assign the suitable person to conduct, and then report to the relevant authorities for processing, examining and alleviating any performing against or non – compliance with the Code of Conduct

9. The Business Code of Conduct Handbook is considered as a part of the Company's Operation Procedures and Regulations thereof.

## Business Code of Conduct

### 1. Observance of Relevant Laws, Rules and Regulation

Nawarat Patanakarn Public Company Limited recognizes the importance of the observance of relevant laws, rules and regulations in everywhere the Company is present. Directors, executives and employees at all levels must conform to laws, must not violate, and perform duties in accordance with rules, orders, announcements and regulations issued by the Company; comply with laws, criteria, requirements and rules of relevant agencies; shall not use legislative gaps to seek the Company's and personal benefits improperly; acknowledge, understand, take responsibility and abide to the applicable laws and regulations relating to discharge of duties; review compliance with relevant laws, rules and regulations; ensure regular observance; abide to laws, rules and regulations of the countries in which the Company invests or operates a business and respect good traditions and cultures of such locality as well.

### 2. Anti – Corruption Guideline and Policy

Nawarat Patanakarn Public Company Limited recognizes the importance of anti-corruption resistance. The Company encourages and supports all employees' awareness on resistance of all types of fraud and corruption and has formulated the Anti – Corruption Policy as the practical guideline for directors, executives and employees as per detailed below:-

#### 2.1 Duties and Responsibilities

##### 1. The Business Code of Conduct Committee

performs duties and responsibilities to formulate the Anti – Corruption Policy as well as to review and revise the Anti - Corruption Policy to be effective and proper according to the situation

##### 2. The Board of Directors

performs duties and responsibilities to approve the Anti – Corruption Policy and to ensure that efficient system for anti-corruption is provided to help executives, the management, employees and concerned persons realize the importance and put the policy into practice that it becomes a part of organizational structure

##### 3. The Audit Committee

performs duties and responsibilities to review and ensure that the Company has sufficient internal control and its business operation complies with the Anti – Corruption Policy

#### 4. Executives and the Management

performs duties and responsibilities to establish systems, provide support, promote and oversee to ensure that employees and concerned parties conform to the Anti – Corruption Policy, as well as to review suitability of the systems and measures to accommodate changes in business, regulations and official requirements.

#### 5. The Internal Audit Team

performs duties and responsibilities to conduct audit, review and ensure that operations comply with concerned policies, guidelines, regulations and laws and that the Company has proper and sufficient internal control systems for countering corruption risks which may arise and report the Audit Committee on any findings.

#### 6. Directors, Executives and Employees

perform duties and responsibilities to comply with the Anti - Corruption policy and shall not be involved in fraud and corruption, either directly or indirectly

#### 7. Subsidiaries, Associated Company and Business Representatives

must agree, accept and operate in compliance with the Company's Anti - Corruption Policy

### 2.2 Scope and Practical Guideline

1. Nawarat Patanakarn Public Company Limited supports and encourages employees at all levels to become aware of fraud and anti-corruption and puts in place the internal control to prevent the Company from fraud and corruption, from offering and acceptance of bribe in all forms, all regions and all countries where the Company performs its works.
2. Directors, executives and employees at all levels must comply with the guidelines as per detailed below:-
  - **Offering and Acceptance of Bribe**  
Offering and acceptance of all forms of bribe in exchange of business advantages is prohibited. This includes delegating other persons to commit such actions.
  - **Gifts, Hospitality and Other Benefits**  
Offering and acceptance of gifts, assets, hospitality or other benefits to/from customers, business partners, or related parties must be in compliance with the regulation on “Offering and Acceptance of Gifts, Assets or Other Benefits” prescribed in the “Business Code of Conduct Handbook”
  - **Political Contributions**
    1. The Company is politically neutral; shall not directly or indirectly contribute and engage in any actions affiliated with political parties or groups.

2. Directors, executives and employees have rights and freedom under the constitution to exercise political activities, but must not claim the status of being a director, an executive and an employee and must not utilize company assets or provide its services in support of political activities. If directors, executives and employees engage in any political activities, they must take particular care not to imply or mislead that the Company is supporting any political parties

- **Charitable / Public Benefit Contributions and Sponsorship**

As a part of society contribution, the Company has the policy for charitable and public benefit contribution either money or other means such as stuff donation, activities participation, etc. and has formulated a guideline for making charitable contribution or sponsorship as follows:

1. Offering or accepting charitable / public benefit contributions or sponsorships must be transparent, lawful, and ethical; does not expect any business returns and does not cause any damage to the public.
2. Offering or accepting charitable / public benefit contributions or sponsorships shall not be used as an excuse for bribery.
3. Use of the Company's money or assets for charitable / public benefit contributions must be done under the name of the Company and has purpose to create good image and reputation of the Company
4. Any actions taken must be in compliance with procedures of reviewing and approving charitable/ public benefit contributions or sponsorships as stipulated by the Company's regulations
3. The Company is committed to create and sustain the organizational culture of zero tolerance of corruption when dealing with both government and private sector.
4. Directors, executives, and employees at all levels must not be negligent when witness any actions of possible corruption, and shall report the matter to his/ her supervisor or the responsible person and give full cooperation in investigation. Channels for hearing any complaint from external parties shall also be provided. In this regard, it shall be in compliance with the Company's regulation
5. The Company must be fair and protect any employees who refuse to associate with or provide information about corruptions. Accordingly, the Company shall not demote, punish, or cause any negative consequence to such employee, although his/ her action may lead to the Company's loss of business opportunity. The Company shall also be fair and protect employees or other parties who provide information or evidence about fraud and corruption concerned with the Company and its subsidiaries by applying protective measures for informants or person who cooperates in reporting of fraud and corruption as specified in the Whistle Blowing Policy
6. Directors and executives at all levels must demonstrate integrity and must be role model in following of the Anti – Corruption Policy. The Human Resources are assigned to educate, promote understanding, and encourage employees at all levels to strictly and continuously adhere to the Anti – Corruption Policy so that it becomes a part of the organizational structure.

7. The Anti – Corruption Policy covers human resources management procedures from recruitment, selection, promotion, training and performance appraisal. Supervisors at all levels are in charge of communication to their teams creating understanding and enabling all employees to apply the Policy to business activities within their scope of work as well as monitoring to ensure effective application of the Policy.
8. Any person conducting fraud and corruption is considered disciplinary violation of personnel management’s rules and regulations for employees and is subjected to disciplinary punishment as defined by the Company as well as lawful action if such conducts is illegal.
9. Any action taken under the Anti-Corruption Policy shall be in accordance with guidelines prescribed in the Company’s “Corporate Governance Policy”, “Business Conduct of Conduct Handbook” as well as related working manuals and any additional guidelines to be formulated in the future.
10. The Company will regularly review the practical guidelines and operating measures to be update and in comply with the changing of laws and business operation conditions
11. The Company stipulates that communication and public relation activities of Anti-Corruption Policy are carried out via both internal and external media e.g. intranet, the Company’s website and annual report.

### 3. Related Transaction and Conflict of Interest

Nawarat Patanakarn Public Company Limited operates while taking into account the benefits of the Company and the stakeholders; therefore, good practices have been established to emphasize our desire to operate in a transparent and auditable manner. Directors, executives and employees in all levels as well as related parties must avoid involvement in any such action which could result in a conflict of interests which may result in loss of benefits or in loss of operational efficiency. The good practice on related transaction and conflict of interest are as follows:-

- 3.1 Not use duties or responsibilities to seek personal benefits or embezzle any assets that should belong to the Company or the customers
- 3.2 Avoid assigning responsibilities to directors, executive or employees in the case that may constitute a conflict of interests
- 3.3 If duties or responsibilities of a director, executive and employee may create benefits for him/herself, his/her family, relatives or cronies, the said director, executive and employee must not make use of their duties or responsibilities to seek benefits for him/herself of those people and must inform his/her supervisor of the matter without delay.
- 3.4 Directors, executives and employees must not join or accept any positions including director, advisor, agent or contractor in other companies that may constitute conflicts of interest with the Company
- 3.5 Any transactions which may raise conflict of interest should be segregated. In case where it is impossible to avoid such transaction, a responsible department will oversee that

transaction to ensure transparency, clarity for the utmost benefit of the Company. A person with vest interested in such conflict must abstain from making a decision on that transaction

#### 3.6 Notify the Company without delay if

- accept to be director, consultant or representative of other company;
- director or his/her family member attends or is shareholder of any business which benefits or conflicts with benefits of the Company;
- gain direct or indirect interests in any contracting made with the Company. Director, executive and employees must specify type of contract, name of counter-partner and interests received from contract;
- director holds any securities or debentures of the Company or its subsidiaries. Director must specify amount of securities and changes.

### 4. Use of Inside Information and Safeguarding of Confidential Information

Nawarat Patanakarn Public Company Limited is a listed company in the Stock Exchange of Thailand; therefore, a key policy established is the fair and equitable treatment of all shareholders. Inside information or unpublished news whose content may affect the stock price such as profits forecast, new shares issue, loans, new investment projects and liquidity problems are deemed confidential information of the Company. Such information, when disclosed, would naturally affect the Company, particularly stock price of the Company which is traded on the Stock Exchange of Thailand. Consequently, directors, executives and employees at all levels must be careful not to let the Company’s confidential documents or information leak out to irrelevant persons which cause damage to the Company; must not inform inside information obtained from discharge of duties, e.g. customers information, products, services, working plans, strategies, operation methods and operational systems to others; and shall not use internal information to seek profits or benefits or to cause direct or indirect damage to the Company.

### 5. Internal Control / Internal Audit / Risk Management and Financial Report and Accounting

Nawarat Patanakarn Public Company Limited is determined to create added value and sustainable business security in consonance with the good corporate governance principles. To this end, the Company has determined policies to have an efficient and effective internal control and internal audit system in line with international standards, a proper risk management to ensure that key risks are managed to be at the acceptable level without affecting the achievement of the Company’s objectives, a good monitoring and evaluation, a regular review of operational systems, and preparation of correct, complete, credible and legitimate financial and accounting report which is the important part to build confidence in the Company toward shareholders and investors

## 6. Offering and Acceptance of Gifts, Gratuities or Other Benefits

Offering of gifts, gratuities or any other benefits, including hospitality is reasonably permissible when there are festive occasions or when they are considered a traditional norm or for the purpose of maintaining normal business relationship, and reasonable and justifiable value.

Directors, executives and employees can reasonably accept gifts, gratuities or any other benefits, including hospitality when there are festive occasions or when they are considered a traditional norm and they are not illegal. The value of the accepted gifts must not exceed Baht 3,000.- (Baht: Three thousand) and must not be cash or cash equivalent gift

Sample of gifts and gratuities to be accepted are as follows:-

1. gift with the value of not exceeding Baht 3,000.- and not cash or cash equivalent
2. gift bearing company logo produced for sales promotion, such as pens, T-shirts, notebooks, etc.
3. things produced for general distribution, such as distribution to staff or to customers of business partners
4. things produced or purchased for distribution on festive occasions from business partners, such as calendars, diaries, gift baskets, etc.
5. other benefits or privileges offered by business partners for the purpose of sales promotion

If directors, executives and employees receive gift on traditional occasions that its value is greater than Baht 3,000.- (three thousand) or in frequency more than usual from the parties relating to the Company's business, they must report their supervisors and shall inform customers that it is a breach of the Company's rules and return such gift to the customers. If it cannot be returned, directors, executives and employees must pass the said gifts to their respective supervisor for further action.

Nevertheless, employees are not required to notify the Company, if they receive gifts or prizes from joining receptions, or sport activities, or banquets, parties, debut, opening ceremony, etc. organized by business partners and their participants coming from various organizations and everyone receiving gifts, or souvenirs.

Directors, executives and employees are not allowed to solicit or accept gifts, assets or any other benefits which do not correspond with the tradition norm or which is excessive.

## 7. Procurement and Treatment of Business Partners

Procurement is an important process by which the expenses and the quality of products and services used in the operation of the Company are determined. Therefore, measures must be in place to ensure that the utmost benefits of the Company are guaranteed, that the procurement is fair, reasonable, transparent, auditable and explicable and that procurement procedures regarding selection and evaluation of suppliers are strictly adhered to the Company's regulations.

## 8. Intellectual Property and the Use of Information Technology

Intellectual property and information technology are key factors supporting the business conduct and the increasing of the operation efficiency. Therefore, it is the mutual responsibility of all employees to respect the rights of the intellectual property owners, to carefully use information technology within the requirement of laws, announcements and standards defined by the Company. Employees must not violate copyrights of intellectual property, must not use pirate computer software and must not install illegal computer software in the office. Should there be any doubt on the copyright of computer software, employees can consult the IT Department.

## 9. Communication

The Company is committed to conduct business with integrity and transparency. Communication through internal and external channels must be accurate and precise. Channels used for communication must be suitable to the situation. Inaccurate communication and announcement, both internal and external, either verbal or in writing, with distortion, spite or slander to person or group of persons are prohibited. Every communication must be made with polite language and tone and must not defame the Company's image and reputation

## 10. Political Rights and Neutrality

Nawarat Patanakarn Public Company Limited has a policy to operate business legally on the basis of integrity. The Company is politically neutral and independent in all decisions and actions. The Company believes in democracy and encourages directors, executives and employees to exercise their rights to attend any political activities under the constitution or the supreme laws which is enforced in Thailand at that time.

## 11. Directors and Executives Code of Conduct

The Company anticipates that directors and executives operate business with transparency and ethics, perform duties in accordance with the highest ethical standard, integrity, due care and prudence for the utmost benefits of shareholders and all groups of stakeholders. The Company has defined the Code of Conduct as the practical guideline of directors and executives as detailed below:-

1. Perform duties in compliance with laws, rules and regulations relating to the business operation
2. Operate the Company's business with honesty, fairness, transparency and ethics
3. Perform duties by applying the utmost knowledge, skills and ability in respect of management for the maximum benefits of the Company
4. Be independent in making a decision and action on the basis of righteousness
5. Perform duties by refraining from engagement in any conflicts of interests between oneself and the Company to ensure that operations is efficient, effective and transparent and
  - must not misuse authority by position as director or executives or use information obtained from work to gain personal benefits or others'.
  - must not abuse the Company's confidential information
  - must not appointed as director of any company which compete with the Company's business
  - must not gain any benefits or interests from contracting
  - must not accept things or other benefits which conflict the interest of the Company for personal or family members' benefits
6. Must not operate or invest in any business which competes with the Company and conflicts with the interest or relates to the business of the Company, either directly or indirectly.
7. Keep confidentiality of information and stakeholders of the Company not to disclose to unrelated persons that may cause damage to the Company and stakeholders

## 12. Employees Code of Conduct

The Employees Code of Conduct of Nawarat Patanakarn Public Company Limited is the practical guidelines together with the Company's work regulations, requirements, orders and announcements. The Company anticipates that all employees realize their responsibilities to perform duties and has defined the Employee Code of Conduct as the basic standard for employee to perform in accordance with the Code of Conduct as detailed below:-

### 12.1 Scope of the Code of Conduct

The Employee's Code of Conduct is defined for the employees of Nawarat Patanakarn Public Company Limited and its subsidiaries. The said employees refer to permanent employees, probationary employees and contractual employees including sub – contractors. The employees and the sub – contractors must understand, accept, believe and observe the Code of Conduct; must be prudent and refrain from violation of the Code of Conduct.

### 12.2 Duties and Responsibilities of Employees

#### 1. Duties to the Company

- Perform duties with determination, full effort , full capacity, prudence, promptitude, accuracy, diligence, and dedication for the Company's maximum benefits
- Perform duties with integrity with respect to the fair Company's benefits
- Support the Company's policies and comply with laws, rules, regulations, announcements, instructions and resolution of the Board of Directors strictly, precisely and completely
- Maintain the maximum benefits of the Company, follow up performance and immediately report to the supervisors of incidents which may cause damages to person, assets, reputation or interests of the Company
- Take good care of the Company's assets and use them efficiently for the maximum benefits of the company. The said Company's assets include tangible and intangible assets such as movable and immovable assets, technology, academic knowledge, title deeds, patents, copyrights and confidential information such as business plan, financial estimation, personnel information
- Have a positive attitude and be proud of the Company; must not vilify the Company untruthfully and unfairly; and be beware of expressing opinions to outsiders on any matters which may jeopardize the Company's fame and operation
- Maintain image, reputation and dignity of the Company
- Report any acts of violation or suspicious behaviors against the Company's policies immediately to supervisor and give cooperation in investigating of such violation cause
- Inform incident that may affect the Company, wrongful or illicit conduct to the department relating to such incident or conduct to find a way to prevent and solve
- Do not get involved in or conceal any fraud and unlawful transactions; abstain from any acts which may defame the Company's reputation and image or cause problem to the Company

- Must not be employed by other companies or engage in any business irrelevant to the Company while holding office with duties and responsibilities toward the Company
- Give cooperation and adhere to the Company's good corporate governance principles

## 2. Duties to Supervisor, Subordinates and Peers

- Supervisors must behave in such manners to receive respect from subordinates. Subordinates must respect supervisor and senior persons and must avoid doing anything that may constitute an insult against supervisors.
- Supervisors must treat subordinates with fairness, generosity and kindness and properly care for their well – being.
- Respect the rights of supervisors, subordinates and peers; must not perform any offensive or threatening acts either physically or verbally which cause sexual annoyance to employees or subordinates.
- Treat supervisors, subordinates and peers with polite manners and speech, generosity and good human relations; honor each other.
- Build and maintain the climate of unity and teamwork; provide cooperation among colleagues and help each other for the benefits of the Company's work
- Share knowledge and work experience to colleague.
- Avoid criticizing other staff's personal matter or information in any manner which may cause damage to such staff.
- Refrain from taking others' property.
- Have a positive attitude toward supervisors, subordinates and peers; must not slander or criticize untruthfully and unfairly; and must not behave in a way which leads to disharmony of the group

## 3. Duties to oneself

- Perform duties with responsibility, honesty, transparency and fairness.
- Be ethic and moral; behave with good culture and tradition
- Abstain from all vices, drugs, and gamble of all types
- Be honest to oneself and others
- Regularly learn and develop knowledge and ability to enhance work skills for better work efficiency.
- Perform duties with the utmost knowledge and capabilities; must not seek illicit benefits
- Refrain from using the Company's assets and working time for personal interests
- Do not abuse or delegate others to use one's authority by position, either directly or indirectly, to gain personal benefits or others'.

## 13. Recognition of International Human Rights

Nawarat Patanakarn Public Company Limited supports and recognizes human rights principles both at the national and the international level, does not discriminate against people based on race, religion, gender. The Company regularly reviews to ensure that our businesses are not involved with any violation of human rights. The Company recognizes practices which are beneficial to the global community such as the United Nations Human Rights Principle

## 14. Acknowledgement of Incidence, Grievance, Suggestions Channels for Informants and Protection of the Rights of Informants (Whistle Blowing Policy)

Nawarat Patanakarn Public Company Limited requires executives at all levels to be responsible for encouraging their subordinates to acknowledge, understand and strictly comply with the Business Code of Conduct, policies, regulations and requirements of the Company, the good corporate governance principles and laws. The Company has defined the practical guideline for systematic, transparent and accountable consideration and investigation of grievance and complaints

The Company has established a department to acknowledge incident, grievance or suggestion from stakeholders affected from the Company's operation on a 24 – hour basis. This can be done verbally, via telephone, facsimile, electronic mail and postal mail. The Company will provide initial explanation of facts and measures to manage such matters to the party submitting grievance or involved party as soon as possible or within 1 day at latest.

In case of doubts or discovering any acts of possible violation or against laws, regulations, rules, code of conduct or corporate governance policy, stakeholders can ask, undertake whistle - blowing or file complaints with detailed evidences to relevant person or department through the following channels:-

### 1. For internal grievance, suggestions and complaints by employees

Contact: Mrs. Charutsri Naosuk

General Manager of Human Resources Department

Tel: 02 7302100 ext 2147

E-mail: n\_charutsri@nawarat.co.th

Or contact through the employees' suggestion box which provided in each workplace.

## 2. For external grievance, suggestions, and complaints from external or outsider

Contact: Mr. Kridchai Suthiluck Manager of Environmental Business Unit  
Tel.: 02 7302100 ext. 2312  
E-mail: s\_kridchai@nawarat.co.th  
Or contact through the employees' suggestion box which provided in each workplace.

The Company will keep such information confidential in order that the informants may not suffer any trouble and will not unfairly treat staff, employees or outsourced persons, whether through changes in position, nature of work or location of work, suspension, threats, obstruction of work, termination of work or any unfair acts to these people.

## 15. Responsibility to Stakeholders

The conduct of business of Nawarat Patanakarn Public Company Limited involves several stakeholders like shareholders, customers, business partners, competitors, creditors, public sectors, employees as well as communities, society and environment. Each group has different requirements; therefore, a policy is established for the responsible treatment of all stakeholders in accordance with their specific needs as follows:-

### 15.1 Treatment of Shareholders

Shareholders are encouraged to exercise their basic rights. The Company aims to create sustainable growth, added value and continued provision of appropriate returns to shareholders as well as conduct business in accordance with the good corporate governance principles. The Company has established the practical guideline for treatment of shareholders as follows:-

1. Perform duties with honesty, good faith and transparency for the benefits of the Company and shareholders
2. Manage the business to ensure prosperity and stability of the Company and appropriate returns to shareholders
3. Perform duties with maximum potential and capabilities for the benefits of the Company and the shareholders
4. Respect the rights of shareholders; disclose and report operating results, financial position and supportive information of the Company accurately, completely and actually
5. Treat every shareholder equitably
6. Give importance to shareholders' opinions and suggestions and take such opinions and suggestions into consideration to benefit the Company's operation

### 15.2 Treatment of Customers

The Company is committed to ensure the satisfaction and confidence of customers and public satisfaction and confidence with quality products and services at appropriate price levels. Consistently upgrade standards and maintain a positive and lasting relationship. The Company has established the practical guideline for treatment of customers as follows:-

1. Treat all customers politely
2. Ensure utmost benefits and satisfaction of customers with quality goods and services. Rapid and on time respond to customers' demand.
3. Provide clear explanation to customers about terms and conditions applying to products and services of the Company
4. Inform customers of any changes in the terms and conditions at appropriate time before such changes take effect. If the Company informs customers of such changes verbally, such changes must be reconfirmed in writing as soon as possible
5. Keep confidentiality of customer's information
6. Be trustworthy to customers
7. Refrain from acceptance of assets or other benefits which is excessive than normal from customers. If directors, executives or employees receive such assets and know later that such assets is excessive than normal, directors, executives or employees must report to supervisor without delay in order to execute as deemed appropriate to the case
8. Avoid situation that may leads to conflict of interests with customers
9. Be ready at all time to reply questions from customers as well as handle customers' complaints, give them advice and follow up progress of any issues as requested by customers

### 15.3 Treatment of Business Partners

The Company is committed to conduct its business with equality and integrity, maintain the interest with business partners through practical guideline as follows:-

1. Comply with all agreements made with business partner on the basis of fair returns for both parties
2. Refrain from demanding, receiving or offering any illicit benefits from/to business partners
3. Recognize contribution from business partners
4. Maintain good relationship with business partners on the basis of honor giving and mutual trust

Furthermore, the Company has established the code of conduct for the Company's suppliers as per detailed below:-

### 1. Human Rights and Labor

- Supplier should respect the human rights of their employees and treat them fairly as well as adhere to international principles and all applicable laws
- Supplier must not use forced or involuntary or illegal labor
- Supplier must not use child labor and should perform in accordance with applicable child labor laws
- Supplier must not discriminate in any condition of employment such as race, skin color, religion, age, disability, etc.

## 2. Safety, Occupational Health and Environment (in accordance with TIS 18001 : 2554, ISO 14001 : 2548)

- Supplier must commit and be responsible to use resources efficiently
- Supplier must strictly conform to all applicable safety, occupational health and environmental laws
- Supplier must make certain that they have safe and proper management of waste, air emission and wastewater discharges systems in the production procedures. Moreover, the systems must go through the regular assessment
- Supplier must provide safety and healthy workplace, including appropriate personal protective equipments for their employees

## 3. Ethics and Legal Requirements

- Supplier must conduct their business ethically and strictly in compliance with the laws
- Supplier must not engage in any form of bribery
- Supplier must operate business with fair competition
- Supplier must keep accurate and complete business and financial records of all transactions related to the supplier's business and ready to provide upon request
- Supplier must protect the company's confidential information

## 15.4 Treatment of Business Competitors

The Company is committed to treat business competitors in line with the international principles within the framework of laws on principle of practice of trade competition as follows:-

1. Observe the rule of fair competition
2. Not seek business competitors' secrets through dishonest or illegal means
3. Not discredit competitors by way of slander or other improper and unfair manner

## 15.5 Treatment of Creditors

The Company is committed to observe the good practical guideline and the conditions in fairness to creditors and repay debts on time. If promises or agreement made with creditors cannot be able to comply, one must promptly negotiate with the creditors in advance in order to solve problems and avoid damage that may occur.

## 15.6 Treatment of Public Sectors

Public sector is one of the stakeholders. The Company has established guideline for treatment of the public sectors in the countries in which the Company invests to avoid negative consequence from any action as follows:-

1. Give the importance of transparency and take into account of integrity in contacting with public officials or government agencies to avoid any misconduct not in accordance with good management as well as resist offering of bribe to public officials for facilitation or advantages of the Company's business
2. Give cooperation with public sectors to strictly comply with laws, rules and regulations relevant to business operation
3. Provide opinions and cooperate with government sectors on country's financial, social and environmental development
4. Is committed to work on projects that benefit to the public, either policies assigned by government or projects initiated by the Company

## 15.7 Treatment of Auditors

The Company recognizes the importance of the auditor who is considered by shareholders as an important mechanism for auditing of the executives' performance and for ensuring that the financial report is accurate and adequate. Directors, executives and employees must give full cooperation to the auditor by providing correct and complete information as well as facilitate the auditor when conducting the audit of the Company's financial report.

## 15.8 Treatment of Employees

The Company strongly realizes that employees are important and valuable assets which contribute to the success, advance and sustainable growth to the Company. Therefore, the Company has established the practical guideline for treatment of employees as follows:-

1. Strictly conform to all applicable employee laws and regulations
2. Develop organization into one of a learning organization. Foster working culture and ambience, and enhance teamwork
3. Pay proper remunerations according to knowledge, ability, responsibility and performance
4. Monitor working environment to be safe for health, life and property of employees
5. Enhance employees' competency to advance and secure their career by focusing on their knowledge and ability development
6. Inform key information, e.g. rights and duties to employees in orientation
7. Ensure that the provision of rewarding and punishment is determined on the basis of righteousness and fairness
8. Comply with all laws and regulations governing labor and welfare of employees

9. Listen to opinions and suggestions of employees at all levels and take such opinions and suggestions into consideration to benefit the Company's operation
10. Treat all employees on the basis of human dignity. Respect their human rights, not violate their personal rights and liberty, either direct or indirect ways.
11. Treat all employees fairly without any discrimination on ground of difference in nationality, race, religion, sex, age, educational background or personal preference
12. Give the opportunity to define guideline on welfare contribution to meet the employees' requirement by appointing the Welfare Committee which comprises of 5 (five) employees who are elected as committee members and 2 (two) appointed committee members. The Welfare Committee has authorities and duties as follows:-
  - Discuss with the employer on welfare contribution to the employees
  - Give advice and provide comment to the employer about welfare contribution to the employees
  - Monitor and control welfare contributed to the employees by the employer
  - Provide opinions and guidelines on welfare contribution to the Welfare Committee

#### 15.9 Treatment of Communities, Society and Environment

The Company aims to conduct business on the basis of responsibility to communities, society and environment, in terms of safety, quality of life and preservation of natural resources. The Company recognizes the importance of quality of life, of communities and of society surrounding construction sites and plants, and has established the Code of Conduct for treatment of communities, society and environment as follows:-

1. Allocate a proportion of the profits to contribute to the community and society.
2. Take into account environmental impacts from the beginning of the construction project, selection of technology, as well as the production process and waste disposal process. Including research and development innovations that will promote energy efficiency.
3. To support any activities that are beneficial to the community and society as a whole.
4. Rapidly and efficiently respond to any incidents that may cause harm to the community, society and environment. Due to the company's operations by fully cooperating with government officials and related agencies.
5. Must not cooperating or supporting individuals or any organization that does illegal business or a threat to society and the security of the country.
6. Must not do anything that may destroy the reputation of the country.
7. Consistently instilling responsibility for the awareness of the community and the general society for employees at all levels in the company continuously.

## 16. Recognition of the Importance of Quality, Safety and Occupational Health

The Company recognizes the importance of management of quality, safety and occupational health with consistent standards; has established and review quality, safety and occupational health policy as well as good practices for sustainable development as follows:-

- 16.1. Carry out and develop continuously the occupational health and safety management system in accordance with TIS 18001 & OHSAS. 10881 suitably and comply with other legal requirements and standard requirements.
- 16.2 Control and improve working sites; prevent employees and related parties from health hazard, fire, chemical substances, electricity, machinery, emergency incidents, occupational diseases and other dangers within acceptable risk level.
- 16.3 Supports resources such as personnel, operation time, budget and training suitably and adequately
- 16.4 Encourage employees to join activities and express opinions on occupational health and safety
- 16.5 Review occupational health and safety management standard procedure at least once a year
- 16.6 Risk factors for any occupational diseases must be zero
- 16.7 Establish Occupational Health, Safety & Environmental Manual in accordance with Occupational Health & Safety Assessment Series – OHSAS 18001 and Environmental Management System – ISO 14001: 2004 for all employees to understand principles and procedures, realize and implement in order to create good and efficient management system and to be able to solve problems relating to occupational health, safety and environmental management system. In addition, it is a guideline to control safety, prevent various forms of accidents at work, reduce environmental problems caused by the Company which might affect environment outside the Company that implement the occupational health, safety and environment management system and prevent impacts on nearby communities that the Company is performing its work.

## 17. Guideline for the Compensation of Stakeholders affected by Violation of Rights

Nawarat Patanakarn Public Company Limited has a guideline for the protection of rights of stakeholders who are affected by the violation of rights by the conduct of business of the Company. Compensation of an amount not lower than that required by the law will be considered.

## Compliance Monitoring

1. Supervisors at all levels are responsible to monitor the implementation and enforcement of the Business Code of Conduct as part of their main responsibilities.
2. The Executives appoint the Business Code of Conduct Monitoring and Promotion Working Team which consists of representatives from all departments/sections to take responsibility and define activities to promote the Company's Business Code of Conduct
3. The Business Code of Conduct Monitoring and Promotion Working Team reports progress about activities and monitoring of the Code of Conduct compliance directly to the Business Code of Conduct Committee
4. Establish guideline for rewarding and punishment for strict compliance, for instance giving award to person who does good performance and giving penalty to person who violates the Business Code of Conduct
5. Specify time to review the Business Code of Conduct and activities for promoting the Business Code of Conduct every year to be consonance with changing of circumstance and business environment

## Practice for Violation of the Business Code of Conduct

Directors, executives and employees must strictly comply with the Company's Business Code of Conduct.

If anyone is accused on violation of the Business Code of Conduct, supervisor shall investigate fact, then report and provide comments to superior supervisor to find a conclusion and present to the authorized person for further consideration. If conclusions cannot be summarized, such supervisor shall appoint the committee to undertake investigation, then report and provide comments of the committee to the superior supervisor so that he/she can present to the authorized person for further consideration. Performing of investigation must be notified to the Human Resource Department every time so that they can coordinate and carry out correctly according to the authorization.

During the investigation, if the Company considers that it may jeopardize the Company's reputation or business operation, the Company may suspend such person from work as deemed necessary but not over than 7 (seven) days and pay 50 (fifty) percent of total wages during the suspension. When the investigation is completely done, if the said person does not bear responsibility, the Company will compensate another 50% of suspended payment to the employee from the day of suspension. If violation is proved true, such employee will be subjected to disciplinary punishment as per judgment of the authorized person with one mean or many means of penalty as defined as follows:-

- 1 Verbal warning
- 2 Written reprimand
- 3 Suspension from work without pay
- 4 Forced resignation, termination of employment, dismissal

In case of violation of the Business Code of Conduct, it is not necessary for the Company to execute the disciplinary punishment according to the above order, but the Company shall consider kind of violation and/or results or damages of violation, or effect may continuously occur as deemed appropriate to each case.

Breaches of the Business Code of Conduct of directors, executives and employees is determined to be responsibility of violator oneself and of his/her hierarchical supervisor.