

บริษัท เจซีเค อินเตอร์เนชั่นแนล จำกัด (มหาชน)  
JCK International Public Company Limited



# ONE REPORT 2021



**JCK**  
INTERNATIONAL



## วิสัยทัศน์

มุ่งมั่น สร้างสรรค์ พัฒนาอสังหาริมทรัพย์  
ด้านโรงงานอุตสาหกรรม อาคารสำนักงาน  
และที่พักอาศัย พร้อมการบริการด้วยใจอย่างต่อเนื่อง  
เพื่อสร้างความพึงพอใจสูงสุดแก่ลูกค้า

## Vision

Be Dedicated, Be Creative, Be a Quality Real Estate  
Developer in Industrial Factories,  
Office Buildings & All Real Estate Sectors  
Providing the Best Customer Service for  
Our Customers' Satisfaction



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Investor can study additional details of issuer from the Company's Annual Report (Form 56-1 One Report) on SEC's website at [www.sec.or.th](http://www.sec.or.th) or the Company's website at <http://jck.international>

Dear Shareholders

Year 2021 marked another year for the global economy to be impacted by the pandemic of COVID-19 which has resulted in various countries also restricting entry and exit of their own country. Even though in the fourth quarter of the year 2021, many countries have begun to allow foreigners to enter and leave the country but there are still conditions regarding vaccination including the inbound passengers must be quarantined for a period of time specified by each country. Thailand is also one of the countries that have been affected by this cause especially the tourism industry which is the main income of the country still cannot recover to normal situation.

For the Company in 2021, still was the year that all executives and employees had to work hard to lead the Company and its subsidiaries to overcome all the obstacles that occurred. From the aforementioned cooperation, the Company's operating results began to return to be better when compared to the previous year. In 2020, the Company had total assets of 8,459.59 million Baht with a total revenue of 409.78 million Baht and a net loss of 289.95 million Baht. In 2021, the Company had total assets of 8,782.31 million Baht with a total revenue of 569.11 million Baht and net loss of 212.52 million Baht. It can be seen that the Company's performance has improved with the increase in revenue and decrease in loss.

The Company is confident that in 2022, the situation of the COVID-19 epidemic should ease up causing the recover in the economic. Tourists and industry investors will return which will affect the TFD Industrial Estate 2 which is a business that generates main income for the Company, so that the Company can sell more land to investors. However, the economic recovery in 2022 must be driven mainly by the government sector to drive the exports, providing support and incentives for foreign investors to invest in the country. Another important part in the current situation is sincere support from financial institutions to the business sector, responding and fully comply with the government's policies which will help to support various businesses to keep continue their business steadily. For the guidelines that the Company has set up to cope with the situation that the business is unable to operate normally during this period of time is to focus on bringing the On Line Marketing system to support communication with customers both domestically and internationally which is a media that is very accessible to investors in this era which it induces investors to purchase the land in the TFD Industrial Estate 2 Project (Chachoengsao) which some of them have started to construct the factory.

The Company would like to thank our shareholders, business partners and our customers who have expressed concern and support for the Company's operation in the past period. We would like to thank the management and employees who are willing to work even in the epidemic of the virus by having to switch to work by work from home but everyone never show discouragement but still work together to push the Company forward with stability, make the Company to be accepted and gain trust from shareholders and customers of the Company throughout the time.

Thank you



(Dr. Apichai Taechaubol)

Chairman

## 1. Structure and operations of the Company's group

### 1.1 Policy and Business Overview

JCK International Public Company Limited (formerly known as Thai Factory Development Public Company Limited) and its subsidiaries engage in the business of land development and construction of standard factories and warehouses for sale and rent which located in the Company's own industrial estates including in other industrial estates and industrial parks. In addition, the Company also operate a residential condominium construction for sale located in the middle of the city and also resorts in the provinces as an alternative to customers including operating office building for rent and also engage the job of real estate project management of the type of office building and SME size industrial factories and warehouses. Moreover, the Company has also expanded its services to cover the business of REITs for investment in real estate and leasehold rights which has been approved by the Office of the Securities and Exchange Commission (SEC) to be the REIT manager on December 20, 2016.

#### 1.1.1 Vision, Objective and Business Goals

The Company's Vision is be dedicated, be creative, be a quality real estate developer in industrial Factory, office buildings and real estates sectors providing the best customer service for our customer's satisfactions.

The Company's business goals is to be a leading real estate development company in both land development, standard factory and warehouse construction in the industrial estates to support the demands of the investors who want to buy or rent including the development of residential condominium for sale both in the city and some resorts in the provinces. Moreover, the Company also provides management services for the office buildings for rent and for the real estate projects. All these engagements are for the maximum benefit of investors and shareholders of the Company with responsibility for environmental and social development

#### 1.1.2 Major changes and developments

Major changes and developments of the company can be summarized as follows:

| Year | Significant developments  |
|------|---|
| 1977 | Established the Company with a registered capital of Baht 20.00 million by a joint venture between the Industrial Finance Corporation of Thailand (IFCT) and the Commonwealth Development Corporation (CDC) of the United Kingdom in the proportion of 55:45 respectively with the objective to construct a ready-made standard industrial factory for sale or rent to investors in various industrial zones. |

| Year | Significant developments  |
|------|---|
| 1983 | The Company had increased its capital to Baht 30.00 million with DEG-GERMAN INVESTMENT AND DEVELOPMENT COMPANY (a financial institution for development of the Federal Republic of Germany) holding 19%, IFCT holding 51% and CDC holding 30%.  |
| 1989 | There was a change in the shareholding structure where IFCT being a major shareholder of 81% and DEG holding 19%.   |
| 1990 | The Company had increased the registered capital to Baht 71.00 million.   |
| 1991 | The Company was listed on the Stock Exchange of Thailand (SET) by increasing the registered capital to Baht 90.00 million.  |
| 1992 | The Company increased its registered capital to Baht 150.00 million.  |
| 1994 | The Company had increased its registered capital to Baht 320.00 million and was registered as a public company on February 4, 1994.   |
| 1996 | <ul style="list-style-type: none"> <li>■ The real estate development group, Thaifa Holding Company Limited has acquired approximately 33.00% of the Company's shares.</li> <li>■ The Company start to develop residential and commercial real estate in Nava Nakorn Industrial Promotion Zone.</li> </ul>   |
| 2000 | JC Asset Company Limited (held by Taechaubol Group) has acquired the Company's shares from DEG Group.   |
| 2002 | IFCT has sold all its shares and later the Company has increased the registered capital from Baht 320.00 million to Baht 760.00 million on July 16, 2002.   |
| 2003 | The Company established a subsidiary namely Total Industrial Services Company Limited (later changed its name to JCK Utilities Co., Ltd (JCKU) to develop and construct standard ready-made factories and warehouses for sale and rent and Princeton Park Suites Co., Ltd to engage in the business of renting 270 rooms and restaurants in Din Daeng area (Vibhavadi Rangsit Road).  |
| 2005 | The Company sold land and 9 factories and 1 industrial flat building to TIF 1 with a total value of Baht 441.30 million.  |
| 2007 | <ul style="list-style-type: none"> <li>■ The Company sold 14 additional land plots and factories to TIF1 with a total value of Baht 391.00 million</li> <li>■ The Company, together with the Industrial Estate Authority of Thailand (IEAT) established TFD Industrial Estate at Tha Sa-an Subdistrict, Bang Pakong District, Chachoengsao Province. Most customers are in the automotive parts business and electronic parts.</li> </ul> |

| Year | Significant developments  |
|------|---|
| 2008 | The Company has jointly invested with business partners by investing in office building for rent business in SG by acquiring 10.03 million shares or equivalent to 49.91%.  |
| 2009 | The Company sold all shares of Princeton Park Suite Company Limited to Vibhavadi Hospital Public Company Limited at the totaling price of Baht 266.90 million.  |
| 2010 | <ul style="list-style-type: none"> <li>■ The Company increased its registered capital from Baht 760.00 million to Baht 836.00 million to support the stock dividends and the adjustment of exercise ratio to buy ordinary shares of TFD-W1 warrant holders on May 10, 2010.</li> <li>■ The Company paid a dividend of 63.76 million ordinary shares to existing shareholders on May 27, 2010.</li> </ul>  |
| 2012 | <ul style="list-style-type: none"> <li>■ The Company had decreased the registered capital from Baht 836.00 million to 835.99 million Baht in order to write off the remaining registered shares from the stock dividend allocation and exercised the right to purchase 53 ordinary shares of TFD-W1 warrants in May.</li> <li>■ The Company increased its registered capital from Baht 835.99 million to Baht 902.88 million to support stock dividends and support the adjustment of the exercise ratio of TFD-W1 warrant holders in May.</li> <li>■ The Company paid a dividend of 56.11 million ordinary shares of the Company to the existing shareholders on May 25, 2012.</li> <li>■ The Company had sold 2 land plots with factories to TIF1 at the value of Baht 74.00 million and has also sold 14 land plots with factories worth Baht 615.00 million and the leasehold right of 18 land plots with factories from JCKU at the value of Baht 355.00 million to M-II in December.</li> </ul> |
| 2013 | <ul style="list-style-type: none"> <li>■ The Company had increased its registered capital from Baht 902.88 million to Baht 1,264.03 million to support the stock dividends and also support the conversion of TFD-W2 warrants in April.</li> <li>■ The Company had invested 100.00% in common shares of CROWN which operates real estate development business which CROWN is the owner of the 15 Sukhumvit Residences Condominium Project with a total value of Baht 496.90 million in April.</li> <li>■ In June, the Extraordinary General Meeting of Shareholders No. 2/2013 had approved the Company for the issuance and offering of debentures in total amount not exceeding Baht 3,500 million.</li> <li>■ In the fourth quarter of 2013, the Company had sold assets to M-II property fund as follows:</li> </ul>  |

| Year | Significant developments  |
|------|---|
|      | <ul style="list-style-type: none"> <li>— JCKU had sold leasehold rights to land and factory buildings at the total value of Baht 290.00 million.</li> <li>— JCK had sold land and factory at the value of Baht 460.00 million.</li> </ul>   |
| 2014 | <ul style="list-style-type: none"> <li>■ In March, the Company increased its capital in JCKU by Baht 300.00 million and had paid the interim cash dividend of 0.22 Baht per share, totaling Baht 238.37 million to existing shareholders.</li> <li>■ In April, JCKU established a subsidiary named Barnsley in United Kingdom with the registered capital of 0.63 million pounds to invest in land and warehouse buildings for rent worth 6.30 million pounds.</li> <li>■ In May, the Company had paid the annual cash dividend of Baht 0.05 per share, totaling Baht 54.18 million to the existing shareholders.</li> <li>■ In November, the Extraordinary General Meeting of Shareholder No. 3/2014 had approved the Company's fundraising plan with details as follows:               <ol style="list-style-type: none"> <li>(1) Approved the issuance and offering of new ordinary shares in the amount of 120.00 million shares with a par value of Baht 1.00 per share to general investors (Public Offering) at the offering price of not less than 90.00% of the weighted average trading price of the share in the SET not less than 7 consecutive business days but not more than 15 consecutive business days prior to the date of setting the offering price of the newly issued ordinary shares to general investors.</li> <li>(2) Approved the issuance and offering of warrants to purchase ordinary shares of the Company No.3 (TFD-W3) in the amount not exceeding 318 million units to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) by free of charge at the ratio of 5 existing ordinary shares to 1 unit of TFD-W3 warrant (in case there is a fraction, it will be discarded). The exercise price is Baht 5.00 per share.</li> <li>(3) Approve the allocation and offering of 200.00 million newly issued ordinary shares with a par value of Baht 1.00 per share to a specific person (Private Placement). The offering price of the newly issued ordinary shares will not be less than 90.0% of weighted average trading price of the Company's shares in the SET not less than 7 consecutive business days but not more than 15 consecutive business days prior to the first day of the issuance of newly issued ordinary shares to private placement in each time.</li> <li>(4) Approved the issuance of ordinary shares and the allocation of 13.00 million</li> </ol> </li> </ul> |



| Year | Significant developments  |
|------|---|
|      | <p>shares with a par value of Baht 1 per share to support the adjustment of the rights of the warrants to purchase ordinary shares of the company No.2 (TFD-W2) which the Company had to adjust rights of TFD-W2 warrants when the Company has allocated the TFD-W3 warrants to the existing shareholders.</p> <ul style="list-style-type: none"> <li>■ In November, 2014, the Company had allocated new ordinary shares to specific investors (Private Placement) totaling 200.00 million shares, resulting the Company's current paid-up capital to increase to Baht 1,283.50 million.</li> <li>■ In December, the Company allocated 256.56 million units of TFD-W3 warrants to existing shareholders of the Company at the ratio of 5 existing ordinary shares per 1 unit of TFD-W3 warrants at a price of Baht 0.00 per unit.</li> </ul>  |
| 2015 | <ul style="list-style-type: none"> <li>■ On January 27, 2015, JCKU has established Bognor Regis Warehouse Limited with registered capital 1.62 million pounds, investing in land and warehouse buildings for rent worth of 16.20 million pounds.</li> <li>■ In February, CROWN has invested in the acquisition of land and buildings in the Twin Tower Project, Na Ranong Road, Klong Toei Subdistrict, Klong Toei District, Bangkok in the amount of 385.00 million Baht to develop into a residential condominium project for sale under the name of "The Harbour View Residences"</li> <li>■ In April, the Annual General Shareholders Meeting had resolved to approve JC to extend the period of payment of land deposit back to the Company until December 29, 2015.</li> <li>■ In July, the Company has established TFDRM with registered capital of Baht 10.00 million whereas the Company wholly own 100% of the paid-up capital</li> </ul> |
| 2016 | <ul style="list-style-type: none"> <li>■ In June, The Extraordinary General Meeting of Shareholders No. 1/2016 had approved the Company fundraising plan with the details as follows: <ol style="list-style-type: none"> <li>(1) Approval of the issuance and offering of warrants to purchase ordinary shares of the Company No.4 (JCK-W4) in the amount not exceeding 427.83 million units to the existing shareholders in proportion to their respective shareholdings (Right Offering ) without value at the ratio of 3 existing ordinary shares to 1 unit of warrants JCK-W4, the exercise price is Baht 3.50 per share and the term of warrant is 2 years.</li> <li>(2) Approved the allocation of the 385.00 million new ordinary shares ( Right Offering) or equivalent to 30.00% of the Company's paid up capital for sale to the existing shareholders according to the general power of attorney ( General</li> </ol> </li> </ul>        |

| Year | Significant developments   |
|------|--|
|      | <p>Mandate)</p> <ul style="list-style-type: none"> <li>■ In June, the Company has registered to change the registered capital to Baht 2,096.34 million.</li> <li>■ In July, the Company allocated 427.83 million warrants of JCK-W4 to the Company's existing shareholders at the ratio of 3 existing ordinary shares to 1 unit of JCK-W4 warrant at a price of Baht 0.00.</li> <li>■ In December, the Company had offered new ordinary shares to the existing shareholders (Right Offering) totaling 347.41 million shares at the price of Baht 2.00 per share, total fund received from this capital increase is Baht 694.83 million, resulting in the Company's paid-up capital increased to Baht 1,630.92 million.</li> <li>■ In December, TFDRM was approved by the SEC to be the REIT manager.</li> </ul>  |
| 2017 | <ul style="list-style-type: none"> <li>■ In March 2017, the Board of Directors approved to propose to the Annual General Meeting of Shareholders for approval of the fundraising plan and increase the amount of debentures to reserve funds for payment of short-term debts, as working capital and to support the develop current and future projects including to restructure the Company's financial structure to be appropriate with the details as follows: <ul style="list-style-type: none"> <li>(1) Allocation of new ordinary shares in the amount of 1,265.46 million shares with a par value of 1.00 Baht per share, with the details of the allocation of new ordinary shares to offer for sale to specific person (Private Placement), existing shareholders (Right Offering) to support the JCK-W5 warrants that allocated to the existing shareholders who have subscribed to the newly issued ordinary shares and to support the adjustment of rights of JCK-W4 warrants.</li> <li>(2) Increase the amount of Debenture from Baht 5,000 million to Baht 8,500 million</li> </ul> </li> <li>■ In June, there was a resolution to approve the Company to allocate the new ordinary shares of 250 million shares to be offered to Private Placement at the offering price of Baht 2.00 per share.</li> <li>■ In June, the Company has established BGY &amp; TFD Property Co., Ltd with registered capital of Baht 1 million, by Crown Development, a joint venture company with Beauty Honor Enterprise Limited in the proportion of 51:49 respectively.</li> <li>■ In August, the Company had the resolution to approve the allocation of the remaining 25 million newly issued ordinary shares to a private placement which is person who has no connection with the Company and subsidiary at the offering price of Baht 2.00 per share.</li> </ul> |

| Year | Significant developments   |
|------|--|
|      | <ul style="list-style-type: none"> <li>■ In August, there was a resolution to approve the increase of registered capital of BGY &amp; TFD Property Co., Ltd, registered capital of Baht 1,000 million, of which 50% of the registered capital was paid-up.</li> <li>■ In November, there was a resolution to increase the registered capital and paid-up capital of TFDRM from the original registered capital Baht 10 million to Baht 28 million and partially paid-up capital of Baht 9.0 million resulting in the paid-up capital increased to Baht 19 million.</li> <li>■ In December, there was an allocation of 241,117,818 newly issued ordinary shares to the existing shareholders of the Company (Right Offering) at the offering price of Baht 2.0 per share and allocating JCK-W4 to the existing shareholders who subscribe for the newly issued shares amounting to 241,117,818 units.</li> </ul>  |
| 2018 | <ul style="list-style-type: none"> <li>■ In April, the Annual General Meeting of shareholders resolved to change the Company name and the securities symbol from the original Thai Factory Development Public Company Limited and the securities symbol of “TFD” to JCK International Public Company Limited with the securities symbol “JCK”.</li> <li>■ In October, the Company had transferred ownership and recognized the income of the project “The Harbour View Residences” successfully.</li> <li>■ In November, the Company had sold the investment in Barnsley Warehouse Limited which the Company had recognized revenue from sale of this investment in 2018.</li> <li>■ In November, the Company had paid the additional capital of TFDRM by Baht 9 million, making TFDRM have a full paid-up capital of Baht 28 million.</li> </ul>  |
| 2019 | <ul style="list-style-type: none"> <li>■ In April, the 2019 Annual General Meeting of shareholders had passed the important resolutions as follows: <ol style="list-style-type: none"> <li>(1) Approved the reduction of the Company’s registered capital from Baht 3,324.21 million to Baht 2,554.76 million by eliminating the unsold shares or remaining unsold shares of 769.44 million shares which are the remaining shares from the allocation of the rights and support for the adjustment of rights of JCK-W4 warrants and the rest from the issuance and offering to private placement.</li> <li>(2) Approved the increase of the Company’s registered capital from Baht 2,554.76 million to Baht 2,769.46 million by issuing new ordinary shares in the amount of 214.70 million shares for sale to specific investors (Private Placement) under a General Mandate form.</li> <li>(3) Approve the allocation of new ordinary shares in the amount of not more than</li> </ol> </li> </ul> |

| Year | Significant developments   |
|------|--|
|      | <p>214.70 million shares to be offered to specific investors (Private Placement) under a General Mandate form.</p> <ul style="list-style-type: none"> <li>■ In July, the Company has entered into the lease agreement on the Ratchaphatsadu land (state property) in the Special Economic Development Zone in Nakhon Phanom Province with total area of approximately 1,335 rai, 2 ngan, 28.1 square wa for a period of 50 years to create opportunities and support the expansion of real estate development and /or industrial estates.</li> <li>■ The Company sold its investment in Bognor Regis Warehouse Limited in which the Company has already realized gains from sale of its investment in subsidiaries in the third quarter of the year 2019.</li> <li>■ In August 2019, the Company had a resolution to approve the increase of TFDRM's registered capital by Baht 10 million from Baht 28 million to Baht 38 million, and in September 2019, TFDRM has called up partially paid -up capital of Baht 2.5 million, resulting in paid up capital of total Baht 30.5 million.</li> </ul>   |
| 2020 | <ul style="list-style-type: none"> <li>■ In January, the Company has registered the establishment of a subsidiary, Ratchadumri Real Estate Company Limited with an initial registered capital of Baht 1 million to support the expansion of related businesses.</li> <li>■ In April, the 2020 Annual General Meeting of Shareholder passed the important resolutions as follows: <ul style="list-style-type: none"> <li>(1) Approved the reduction of the Company's registered capital from Baht 2,769.47 million to Baht 2,554.76 million by eliminating the unsold common shares or remaining not sold of 214.70 million shares which are the remaining shares from the issuance and offering to the Private Placement.</li> <li>(2) Approved the increase of the Company's registered capital from Baht 2,554.76 million to Baht 2,769.47 million by issuing new ordinary shares in the amount of 214.70 million shares to be offered to a Private Placement under a General Mandate form.</li> <li>(3) Approve the allocation of new ordinary shares in the amount of not more than 214.70 million shares to be offered to specific investors (Private Placement) under a general mandate form.</li> </ul> </li> <li>■ In November, the Extraordinary General Meeting of Shareholders had passed the important resolutions as follows: <ul style="list-style-type: none"> <li>(1) Approved the reduction of the Company's registered capital from Baht 2,769.47</li> </ul> </li> </ul> |



| Year | Significant developments   |
|------|--|
|      | <p>million to Baht 2,147.03 million by eliminating the unsold common shares or remaining not sold of 622.43 million shares.</p> <p>(2) Approved the increase of the Company's registered capital from Baht 2,147.03 million to Baht 3,220.55 million by issuing new ordinary shares in the amount of 1.073.52 million shares to support the exercise of JCK-W6 warrants.</p> <p>(3) Approve the allocation of JCK-W6 warrants to the existing shareholders (Right Offering) of 1,073.52 units at the ratio of 2 existing shares to 1 unit of warrant. The exercise price is set at Baht 2.00 per share with the term of the warrant is less than 2 years from the issuing date and the offering date.</p>  |
| 2021 | <ul style="list-style-type: none"> <li>■ In February, the Company has resolved to approve BGY &amp; TFD Property Company Limited (the Joint Venture or BGY &amp; TFD) to reduce the registered capital from Baht 1,000 million to Baht 350 million by reducing the value of the ordinary shares from the original value of Baht 100 per share to Baht 35 per share, amounting to 10 million shares. BGY&amp;TFD has registered the said capital reduction with the Ministry of Commerce on April 16, 2021 and returned the capital to Crown Property Development Company Limited which is a subsidiary of the Company amounting to Baht 76.5 million.</li> <li>■ In April, the 2021 Annual General Meeting of Shareholders has passed important resolutions as follows: <ul style="list-style-type: none"> <li>(1) Approved the increase of the Company's registered capital from 3,220.55 million Baht to Baht 3,864.66 million by issuing 644.11 million new ordinary shares to be offered to existing shareholders (Right Offering) and Private Placement under the General Mandate.</li> <li>(2) Approve the allocation of the new ordinary shares in the amount not more than 429.41 million shares to be offered to existing shareholders (Right Offering) under a General Mandate and amount not more than 214.70 million shares to be offered to Private Placement under a General Mandate.</li> </ul> </li> <li>■ In June, the Company has resolved to approve the allocation of new ordinary shares in the amount of 16,260,000 shares and 8,000,000 shares to specific investors which is a person who has no connection with the Company (Private Placement) at the price of Baht 1.23 and Baht 1.25 per share respectively.</li> <li>■ In June, the Company has approved to reduce the registered capital of BGY&amp;TFD</li> </ul> |

| Year | Significant developments   |
|------|--|
|      | <p>Property Co., Ltd (Joint venture or BGY &amp; TFD) from 350 million Baht to 300 million Baht by reducing the value of ordinary shares from the original value of BGY &amp; TFD at a par value of 35 Baht per share to Baht 30 per share, amounting to 10 million shares. BGY &amp; TFD has registered the capital reduction with the Ministry of Commerce on August 5, 2021 and returned the capital to Crown Development Company Limited, a subsidiary of the Company, amounting to Baht 25.5 million.</p> <ul style="list-style-type: none"> <li>■ In July, the Company has approved the increase the registered capital of Ratchadamri Real Estate Company Limited (a subsidiary of the Company or RATCHADAMRI) of the amount of Baht 99 million from the original registered capital of Baht 1 million to Baht 100 million where the Company still hold the proportion of shares in RATCHADAMRI same as before. RATCHADAMRI has called for 70% paid up capital which the Company has already paid for the new shares of total amount of Baht 69.3 million and RATCHADAMRI has registered the capital increase with the Ministry of Commerce on August 23, 2021. In addition, RATCHADAMRI has called for the remaining 75% of the share capital of 1 million Baht, amounting to Baht 0.75 million which RATCHADAMRI has received the payment for such shares in full amount.</li> <li>■ In September, at the Extraordinary General Meeting of Shareholders, there were important resolutions as follows: <ol style="list-style-type: none"> <li>(1) Approved the reduction of the Company registered capital from Baht 3,864.66 million to Baht 3,244.81 million by eliminating the unsold shares or amount not yet sold of 619.85 million shares.</li> <li>(2) Approved the increase of the registered capital of the Company from Baht 3,244.81 million to Baht 4,438.81 million by issuing new ordinary shares of 1,193.99 million shares for offer to existing shareholders (Right Offering) and Private Placement under General Mandate and to support the exercise of convertible debentures.</li> <li>(3) Approved the issuance and offer for sale of newly issued convertible bonds of the Company with the totaling offering value not more than Baht 1,000 million to specific investors, namely Advance Opportunities Fund (AO Fund) and Advance Opportunities Fund 1 (AO Fund 1 ), which divided into 4 tranches, with a maturity of 3 years from the date of issuance of the debentures. The convertible price is determined not to less than 90% of</li> </ol> </li> </ul> |

| Year | Significant developments   |
|------|--|
|      | <p>the market price.</p> <p>(4) Approved the allocation of new ordinary shares in the amount of not more than 434.26 million shares to be offered to existing shareholders (Right Offering) under a General Mandate not exceeding 217.13 million shares to be offered to a Private Placement under a General Mandate and not exceeding 542.61 million shares to support the exercise of convertible debentures to AO Fund and AO Fund 1.</p> <ul style="list-style-type: none"> <li>■ In September, the Company resolved to approve the reduction of the registered capital of Crown Development Company Limited (a subsidiary of the Company or CROWN) from Baht 951 million to Baht 640 million by reducing common shares of 3.11 million shares at par value Baht 100, which CROWN has registered the said capital reduction with the Ministry of Commerce on November 18, 2021.</li> <li>■ In October, the Board of Directors meeting has approved an investment plan in real estate business in the northern region and the signing of a joint operation contract. On October 28, 2021, the Company has signed a joint operation agreement in the proportion of 51%.</li> <li>■ In November, the Company has resolved to approve to allocate 81,300,813 newly issued ordinary shares to specific investors who has no connection with the Company at the offering price of Baht 1.23 per share.</li> <li>■ In November, the Company has entered into an agreement to issue unsubordinated and unsecured convertible debentures with Advance Opportunities Fund and Advance Opportunities Fund 1 with a total value not exceeding Baht 1,000 million.</li> <li>■ In December, the Company purchased ordinary shares of SG Land Co., Ltd (a subsidiary of the Company) in the amount of 0.03% by paying the amount of investment of Baht 45,000, resulting in an increase in the shareholding ratio from 49.91% to 49.94%.</li> <li>■ In December, the Company has issued and offered the newly issued convertible debentures of the Company No. 1/2021 of Baht 50 million and the Convertible Debenture holders had exercised the convertible debentures of Baht 50 million. The shares which resulted from the convertible right exercise was 50,155,670 shares which the Company has registered the increase of the paid-up capital with the Ministry of Commerce in December 2021.</li> </ul> |

### 1.1.3 Information about the Use of Proceeds from Fundraising

As of December 31, 2021, the Company had 6 long-term debentures outstanding total value of Baht 3,500.84 million, details as follows:

| Number                     | Issue Date   | Maturity Date | Coupon<br>(Interest Rate)<br>(%) | Tener (years)       | Debentures Outstanding |                 |
|----------------------------|--------------|---------------|----------------------------------|---------------------|------------------------|-----------------|
|                            |              |               |                                  |                     | (Unit)                 | (Million Baht)  |
| 3/2018 <sup>1</sup>        | 27 Sep. 2018 | 27 Mar. 2024  | 7.00                             | 5 years<br>6 months | 344,320                | 344.32          |
| 1/2019 <sup>2</sup>        | 15 Feb. 2019 | 15 Feb 2023   | 7.25                             | 4 years             | 472,950                | 472.95          |
| 2/2019 <sup>1</sup>        | 22 Mar. 2019 | 22 Mar. 2023  | 7.00                             | 4 years             | 965,900                | 965.90          |
| 3/2019 <sup>1</sup>        | 26 July 2019 | 26 July 2023  | 6.75                             | 4 years             | 529,717                | 529.71          |
| 1/2020 <sup>1</sup>        | 24 Jan. 2020 | 24 Jan. 2024  | 7.00                             | 4 years             | 811,100                | 811.10          |
| 2/2020 <sup>1</sup>        | 13 Feb. 2020 | 13 Aug. 2021  | 7.25                             | 2 years<br>6 months | 390,000                | 390.00          |
| Cost of issuing debentures |              |               |                                  |                     |                        | (13.14)         |
| <b>Total</b>               |              |               |                                  |                     |                        | <b>3,500.84</b> |

Notes: <sup>1</sup> Type of Debentures: Named Debentures, Unsubordinated, Secured and has Debenture Holder Representative

<sup>2</sup> Type of Debentures: Named Debentures, Non-subordinated, Some Guarantee and has Debenture Holder Representative

The Company has fully utilized the proceeds from the issuance and offering of 6 long-term debentures for the purpose specified in the Filing of debentures.

### 1.1.4 The Commitments that the Company has made in the Filing of Securities

Financial commitment and conditions for exercising the right to repay each issue of debenture as specified in the Filing of debentures and other documents related to each issue of debentures, details are as follows;

| Nuber  | Financial commitment that<br>the Company will maintain the ratio of net<br>debt to the shareholders' equity<br>at the end of the fiscal year of the Company<br>each year according to the annual<br>consolidated financial statements. | Condition  |
|--------|--|--|
| 3/2018 | Not more than 4.5 : 1  | The Company is able to exercise the right to repay the debenture debt before the due date, in whole or in part according to the details specified in the debenture filling and other relevant documents. |
| 1/2019 | Not more than 3.5 : 1  |  |
| 2/2019 | Not more than 4.5 : 1  |  |
| 3/2019 | Not more than 4.5 : 1  |  |
| 1/2020 | Not more than 3.0 : 1  |  |
| 2/2020 | Not more than 3.0 : 1  |  |



### 1.1.5 Other Information of the Company

|                               |  |
|-------------------------------|--|
| Name of the Company (Thai)    | บริษัท เจซีเค อินเตอร์เนชั่นแนล จำกัด (มหาชน)  |
| Name of the Company (English) | JCK International Public Company Limited   |
| Company Abbreviation          | JCK  |
| Company registration date     | November 11, 1977  |
| Company registration number   | 0107537000475 ( BorMorJor. 294 )   |
| Registered Capital            | Baht 4,438,806,550 ( on December 31, 2021 )  |
| Paid-up Capital               | Baht 2,302,750,962 ( on December 31, 2021 )<br>Consist of 2,302,750,962 ordinary shares with the par value of Baht 1 per share   |
| Type of Business              | Real estate development, type of land, and construction of a standard factory in TFD Industrial Estate and various industrial estates for sale or rent, providing asset management services in the type of office buildings and SME, ready-made factories with office buildings for rent, residential (condominium) for sale |
| Head Office Address           | No. 18, Soi Sathorn 11 Yeak 9, TFD Building, Yannawa, Sathorn, Bangkok 10120<br>Tel. (662) 676-4031-6, (662) 676-3836-9 Fax. (662) 676-4038-9  |
| Website                       | <a href="http://www.jck.international">www.jck.international</a>   |
| Project Office                | TFD Industrial Estate<br>No. 1, Moo 5, Tha Sa-an Sub-district, Bang Pakong District, Chachoengsao Province 24130<br>Tel. (038) 578-756 Fax. (038) 578-757  |
| Project Office                | The Colonial Kao Tao Hua Hin (Condominium)<br>No. 1, Moo 1, Pak Nam Pran Sub-district, Pranburi District, Prachuap Khiri Khan Province<br>Tel. (032) 572-581-4 Fax. (032) 572-585  |

## 1.2 Business Overview

### 1.2.1 Structure of incomes of the Company and subsidiaries

| Type of Income                        | For the year ended December 31, |                |               |                |               |                |
|---------------------------------------|---------------------------------|----------------|---------------|----------------|---------------|----------------|
|                                       | 2019                            |                | 2020          |                | 2021          |                |
|                                       | Million Baht                    | %              | Million Baht  | %              | Million Baht  | %              |
| 1. Land and factory building business |                                 |                |               |                |               |                |
| - Sales incomes                       | 118.00                          | 27.67%         | 87.50         | 21.07%         | 213.84        | 37.34%         |
| - Rent and service incomes            | 72.99                           | 17.12%         | 81.05         | 19.51%         | 91.14         | 15.92%         |
| 2. Office space for rent business     |                                 |                |               |                |               |                |
| - Rent and service incomes            | 184.99                          | 43.38%         | 174.95        | 42.12%         | 157.60        | 27.52%         |
| 3. Residential condominium business   | 13.50                           | 3.17%          | 43.89         | 10.57%         | 45.47         | 7.94%          |
| 4. Other incomes                      | 36.93                           | 8.66%          | 27.94         | 6.73%          | 64.59         | 11.28%         |
| <b>Total incomes</b>                  | <b>426.41</b>                   | <b>100.00%</b> | <b>415.33</b> | <b>100.00%</b> | <b>572.64</b> | <b>100.00%</b> |

### 1.2.2 Business of each product line

#### (1) Nature of products and service

The Company and subsidiaries develop properties in a variety of shapes and forms, as of December 31, 2021 can be classified into six main business groups as follows;

- Industrial estate
- Standard factory/warehouse
- Real estate development (residential - condominium)
- Office building for rent
- Property management service
- Managing Real Estate Investment Trust (REIT)

#### 1) Industrial estate

In 2007, the Company set up the TFD Industrial Estate at Bangpakong District, Chachoengsao Province, to develop land, set up basic infrastructure and build standard factory buildings. The Company signed a joint-operation contract with the Industrial Estate Authority of Thailand (IEAT) and provided for Thai and foreign investors lands for rent in two zones; namely, General Zone and Free Zone. Target groups of customers were businesses in the auto part industry, electronics and manufacturing industry not generating pollution.

To facilitate investors, the Company chose the site located not so far from Bangkok along the Motorway at Km 4 3 next to an exit into the Chachoengsao-Chonburi Highway. The site is flanked with convenient highways and not prone to flood which makes it extremely ideal to build factories and warehouses

as a logistics center. Thanks to the site's competitive advantage as it's no more than 20 minutes from the Suvarnabhumi Airport and no more than 40 minutes from the Laem Chabang Deep Sea Port plus its close proximity to Bangkok, Thailand's capital, the location has become a very highly potential one. Most of the Company's customers are invested in electronic parts and auto part industries. In addition, the government plans to develop areas in Chachoengsao, Chonburi and Rayong as the Special Economic Zone. Known as the Eastern Economic Corridor (EEC), the megaproject will be connected with the country's western corridor. It is expecting that the government is going to invest around Baht 300 billion to develop basic infrastructure and provide tax privileges to support investment in this area, which in return should attract more than Baht 1.9 trillion worth of investment in 10 basic industries touted as Thailand's new engine of growth. The EEC is anticipated to become the country's main investment hub, which should benefit TFD's project area because it will boost the project's sales opportunity. As of December 31, 2021, the TFD Industrial Estate had two operation phases as follows;

**- TFD Industrial Estate 1**

The project has total area of 304.22 rai where salable area is 231.58 rai. Of this, 74.58 rai are in Free Zone and 156.85 rai are in General Zone. Since 2011, the Company has recognized incomes from the project both from the sales of vacant land and sales of land with the completed factory buildings. Currently, there was available for sale of 1.57 Rai.

**- TFD Industrial Estate 2**

The Company plans to expand the areas in the TFD Industrial Estate II, which located next to the TFD Industrial Estate I. The Company had purchased approximately 1,980 rai of vacant lands for the development, some part of lands was approved for the change to use for industrial purpose (purple zone) in December 2015. On November 10, 2016, the Company and The Industrial Estate Authority of Thailand (IEAT) entered into a joint operation contract where IEAT approved and allowed the Company to establish the TFD Industrial Estate Phase II. The Company also received the approval of the Environmental Impact Assessment (EIA) report on July 26, 2017.

The Company has received the approval of the land allocation on March 2, 2018 and the title deed can be issued successfully. The total area of the project is approximately 833.26 Rai with the available of sales area is 619.10 Rai. Currently, the Company has completed the development and construction of the main infrastructure of the project by 75%. At the end of 2021, the Company has salable area which already transferred the ownership of 42.63 Rai and still in backlog of 33.10 Rai, so the remain available area for sale of 530.37 Rai.

In addition, the Company is now studying the possibility and design to expand the project, which is the development of industrial real estate, commercial real estate and the accommodation to support the investment. Currently, the Company has land awaiting for development (outside the settlement) of 1,216.56 Rai, of which 210.38 rai is pending for transfer of ownership in this year 2022.

**- Project One Nakhon Phanom**

The One Nakhon Phanom Project is a new project of the company located in the area of Special Economic Development Zone in Art-Samart Sub-district, Mueang Nakhon Phanom District, Nakhon Phanom Province on the land of approximately 1,335 rai, 2 ngan and 28.1 square wah. The Company has foreseen the potential and growth opportunities of Nakhon Phanom province as a major tourist and border trade city of the country. Therefore, the Company had decided to enter into the land lease agreement with the Treasury Department on 15 July 2019 for a period of 50 years in order to develop a commercial project which combines with an industrial estate and/or distribution center.

Since this project is located in the area of Special Economic Development Zone, the Company will receive the tax benefit from the Board of Investment as same as the projects in the Eastern Economic Corridor (EEC) including other privileges such as subleasing the land or providing other benefits, the ownership of the building belongs to the tenant or sub-tenant including not being enforced by Town Planning Act and the Public-Private Partnership Act. In addition, this project uses lower initial investment when compared to the purchasing of large-sized land plot to develop the project, as it is also difficult to procure the large adjoining plot of land because of the higher investment and also time demand comparative to the leasing. The Company then considered that the investment in this leasehold rights will assist to create opportunities and support the expansion of industrial estate and real estate development, which is the Company's core business in the long run. The Company has the idea to develop the project as a commercial project combined with industrial estates and / or distribution centers to support each part and utilize the area with maximum efficiency. The Company is currently in the stage of conducting additional study on the possibility of the project and also procuring project partners.

**2) Standard factory/warehouse building**

The Company's business is to build standard ready-built factories and warehouses for sales in industrial estates and industrial zones at various locations to offer to investors where commuting conveniences, transport, communications, infrastructure, safety and appropriate surrounding environment are taken into consideration. Besides, factories are built both in the industrial zones and at free-trade zone as required by investors. The Company set up a subsidiary named Barnsley Warehouse Limited was established on



April 22, 2014 and Bognor Regis Warehouse Limited was established on January 27, 2015 for investment in land and warehouse for sale and rent in the UK. In November 2018, the Company has sold Barnsley Warehouse Limited, which the Company has realized the revenue from sale of investment in year 2018, and later the Company has sold the investment in Bognor Regis Warehouse Limited and realized the revenue from sale of such investment in the third quarter of year 2019.

- **Domestic Standard factory/warehouse building**

The Domestic standard completed factory is typically offered as a one-floor building with mezzanine floor for use as office in varying sizes from 1,000 square meters to 10,000 square meters. The factory is built at a fenced-in site to also include a security guard's house and parking space. The factory floor can accommodate 3 metric tons per square meter and 5 metric tons per square meter. Investors are able to various options to such as purchase or lease of warehouses or with a right to buy them later. The rental term of most lease agreements that the Company has signed with customers is 3 years with an option for renewal. The customer is required to deposit 3 – 6 months payment.

The following table features information of completed factory buildings and occupancy rate of the Company.

| Completed factory building | Number of factory buildings at the beginning of period | Number of factory buildings sold | Number of factory buildings at end of period |            | Average annual occupancy rate |
|----------------------------|--|----------------------------------|--|------------|-------------------------------|
|                            |  |                                  | With tenants                                 | No tenants |                               |
| Year 2015                  |  |                                  |  |            |                               |
| Number (buildings)         | 13   | -                                | 4  | 9          | -                             |
| Area (square meters)       | 66,485.00  | -                                | 8,610.00                                     | 58,325.00  | 12.95                         |
| Year 2016                  |  |                                  |  |            |                               |
| Number (buildings)         | 34   | -                                | 8.50   | 25.50      | -                             |
| Area (square meters)       | 105,601.00   | -                                | 20,390.00                                    | 85,211.00  | 19.31                         |
| Year 2017                  |  |                                  |  |            |                               |
| Number (buildings)         | 34   | 2                                | 14   | 18         | -                             |
| Area (square meters)       | 105,601.00   | 3,450.00                         | 29,230.00                                    | 72,921.00  | 27.86                         |
| Year 2018                  |  |                                  |  |            |                               |
| Number (buildings)         | 32   | 1                                | 15.50  | 15.50      | -                             |
| Area (square meters)       | 102,151.00   | 1,980.00                         | 30,555.00                                    | 69,616.00  | 29.91                         |

| Completed factory building | Number of factory buildings at the beginning of period | Number of factory buildings sold | Number of factory buildings at end of period |            | Average annual occupancy rate |
|----------------------------|--|----------------------------------|--|------------|-------------------------------|
|                            |  |                                  | With tenants                                 | No tenants |                               |
| Year 2019                  |  |                                  |  |            |                               |
| Number (buildings)         | 31   | 2                                | 13.50  | 15.50      | -                             |
| Area (square meters)       | 100,171.00   | 2,800.00                         | 35,980.00                                    | 61,391.00  | 37.72                         |
| Year 2020                  |  |                                  |  |            |                               |
| Number (buildings)         | 29   | 1                                | 15.00  | 13.00      | -                             |
| Area (square meters)       | 97,371.00  | 1,980.00                         | 36,145.00                                    | 59,246.00  | 37.89                         |
| Year 2021                  |  |                                  |  |            |                               |
| Number (buildings)         | 28   | 1                                | 17   | 10         | -                             |
| Area (square meters)       | 95,391.00  | 1,000.00                         | 38,145.00                                    | 56,246.00  | 39.99                         |

As of December 31, 2021, the Company has standard ready-built factories and warehouses altogether 27 units which can be divided as follows;

- The standard ready-built factories located in Laem Chabang of 5 units with total rental space of 8,910 sq.m. Currently there are 5 tenants.
- 8 ready-built factories in the TFD Industrial Estate at Tha Sa-an, Chachoengsao Province (the Green Park 1 Project) totaling 57,575 square meters of sales and rental space (an average of 3,625 - 7,750 square meter of space per structure). 1 tenant already rent a total of 7,375 square meters.
- The factories and ready-built warehouses at Bangsaothong Samutprakan province (The Project Green Park 2 and 3) in total 21 units, 2 units were sold in 2018, 1 unit was sold in 2019 and 2 units were sold in 2020, so now there are 14 units available for rent with total rental space of 27,906 square meters which now there are 11 tenants renting of which the total rental of 21,860 square meters.

In addition, on November 1, 2021, the Company entered into a land lease agreement, Bangsaothong District, Samut Prakan Province. The lease term is 30 years with the objective of leasing land for development and construction of factories, warehouses, warehouses for rent in Green Park 4. The Company also provides construction services for warehouses and factories according to the designs that customers want as an alternative to the investors in many forms, such as purchase of land with factories or renting land with factories or give permission to buy later, etc.

Table showing the proportion of the rental space which the lease term will be expired comparing to total rental space of the Company as of December 31, 2021

| Year that lease term will be expired | Total area which will be due (sq.m.) | Proportion of the due rental space compared to total area (%) |
|--------------------------------------|--------------------------------------|---|
| 2022                                 | 10,675.00                            | 27.99%  |
| 2023                                 | 4,960.00                             | 13.00%  |
| 2024                                 | 20,530.00                            | 53.82%  |
| 2027                                 | 1,980.00                             | 5.19%   |
| <b>Total</b>                         | <b>38,145.00</b>                     | <b>100.00%</b>  |

### 3) Real estate development (residential - condominium)

The Company started developing two residential condominium projects for the first time; namely, the Lakegreen Apartment Project and the 59 Heritage Project and the Harbour View Residence.

At present, the Company has 5 ongoing projects as follows:

- The 15 Sukhumvit Residence Project
- The Colonial Kao Tao Hua Hin Project
- The Mahadlek Residence Project
- The Artisan Ratchada Project
- The Chiang Rai Project according to the joint operation contract

#### - *The 15 Sukhumvit Residence Project*

Situated between Soi 13 and Soi 15 on Sukhumvit Road, the 2-3-73 rai project is a 25-floor reinforced concrete tower bought by the company in 2010. The total project value is Baht 3,716 million. The project's total useable area is 59,113 square meters of which 31,659 square meters are sellable areas. There are 505 units for sales of which 492 units are residential condominium and 13 units are for commercial purpose. As of December 31, 2021, the Company could sell the residential and commercial units of 497 units with total value of Baht 3,225.29 million. There remains only 8 unit which the value of Baht 490.71 million (at the price of Baht 125,000 per square meter) of which 2 of them are unit for rent.



- ***The Colonial Kao Tao Hua Hin Project***

A residential condominium, the project is located at Kao Tao, Tambon Paknam Pran, Pranburi District, Prachuab Kiri Khan Province, in the 9-0-42 rai of land, with a total value of around Baht 3,375 million. The Company already completed the construction of the 3-storey office building which was used as a sales office. The construction of a condominium building in December 2014 was temporarily suspended since the project was involved in a lawsuit (Details are in Section 1, Topic 2: Risk Factors). Finally, at present, the Supreme Administrative Court has reversed the judgment of the Court of First Instance to be dismissed and the case is final, which now the Company is in the process of considering the further action plans.



- ***The Mahadlek Residences***

The residential project consists of one 41-storey building located in a 1-3-28 rai of land in Soi Mahadlek Luang 2, Rajdamri Road. The land owned by Vajiravudh College. The lease term is 30 years from the due construction period (which according to the contract requires that the construction period of the project be 5 years from the day it has been approved by Bangkok Metropolitan Administration (BMA) to build the project) or from the day the construction is finished, whichever is earlier.



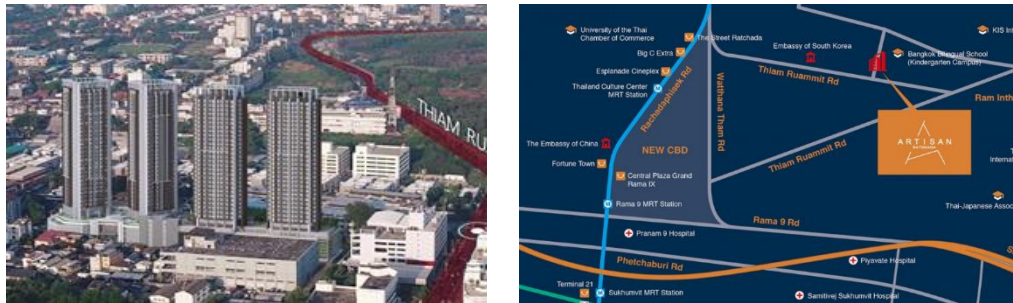
The Mahadlek Residences Project's Environmental Impact Assessment Report (EIA report) was already approved by the Office of Natural Resources and Environmental Policy and Planning (ONEP) on June 10, 2014 and also received the building construction permit on June 1, 2016. However, at present the Company has temporarily delayed the investment in this project because the lawsuit has been filed against the Administrative Court regarding the accusation of the Approval of EIA Report and the permission of construction were not proper. The Court then ordered the temporary suspension of the construction and on September 14, 2017, the Central Administrative Court judged revoking of the project's EIA report which thereafter the Company has appealed the order. On September 26, 2019, the Central Administrative Court has adjudicated to revoke the project's building construction permit, with retroactive effect from the date of the issuance of the said permit. The Company has already submitted an appeal against said judgment to the Supreme Administrative Court on October 24, 2019 and is now pending on the outcome of the trial.



#### - *The Artisan Ratchada Project*

The Residential Condominium located in soi Thiamruammit, Huai Kwang Sub-district, Huai Kwang District, Bangkok with the total area of 8-1-27.4 Rai to develop as a residential condominium for sale, consists of 4 buildings of 34-storeys, totalling 1,393 units. The total salable area is approximately 68,618 square meters while the total usable area is approximately 128,000 square meters. Total sale revenue is Baht 6,300 million. The Company has entered into a joint venture agreement with Beauty Honour Enterprises Limited ("BH") for the purpose of establishment of BGY & TFD Properties Co., Ltd ("BGY&TFD") to be a developer for the Project Artisan Ratchada, with the structure of shareholdings between CROWN and BH at 51:49. Currently, the construction is finish and the Company start to recognized the revenue in the second quarter of the year 2020. As of December 31, 2021, there are already sold approximately Baht 4,756 million or accounted for more than 83% of the total project value. The ownership of 1,056 units has already been

transferred, with a value of approximately Baht 4,170 million and the remaining balance awaiting transfer (Backlog) Baht 586 million.



- ***The Chiang Rai Project according to the joint operation contract***

On October 28, 2021, the Company entered into a joint operation agreement with an unrelated group of company (Chiang Rai Group), which this real estate projects have a value with a net worth of approximately Baht 650 million, with the Company holding 51% of the assets. The real estate projects with joint operations have 10 projects, which is considered a new source of income that will create stability for the Company in the future and diversification of the Company's business investment to the new markets in Chiang Rai area which has growth rate and expansion rate (assessed before being affected by the pandemic of COVID-19), especially tourism business and trading business along the borderline. As a result, people in this area have high purchasing power. As at December 31, 2021, the Company has paid Baht 203 million, with the remaining balance of Baht 133 million. The Company is now studying the marketing analysis for real estate development for its investment and also the clear feasibility study as well as a plan to find the investors with potential both in terms of capital fund and marketing to join the investment.

**4) Office building for rent**

In 2008, the Company jointly invested in the office for rent business via SG in which it holds 49.91 percent shares where SG has invested in the right to lease the land and the SG Tower 1 office building as well as the right to sub-lease the land and The Millennia office building (SG Tower 2) located in Soi Mahadlek Luang 3, Rajdamri Road, and Langsuan Road for a total rentable area of 26,846.18 square meters. Both the land and the SG Tower 1 are owned by Vajiravudh College (the lessor) while the ownership of the land where the Millennia Office Building is located is held by GF Holding Co., Ltd. (the sub-lessor). The ownership of the Millennia building itself, however, is held by SG which will belong to GF Holding Co., Ltd. when the lease term is due in 2025. The Company meanwhile manages the two office buildings for rent. Details are as follows;

*(1) SG Tower 1*

The building is located on the 2-3-85 rai of land at No. 161/1 Soi Mahadlek Luang 3, Rajdamri Road, Kwaeng Lumpini, Pathumwan District, Bangkok. SG Tower 1 is a 19-storey office tower plus two stories of underground parking space offering of common areas and 8,108 square meters of parking space (for 220 cars). As of December 31, 2021, 74.36 percent of the tower's total rentable areas were rented. The building has an average rent income of Baht 5.23 million per month.

*(2) The Millennia (SG Tower 2)*

The building which is located at 62 Langsuan Road, Kwaeng Lumpini, Pathumwan District, Bangkok is situated on the 1-3-22 rai of land and houses one 26-storey office building plus one underground and 9,870 square meters of parking space (to accommodate 220 cars). As of December 31, 2021, 71.79 percent of the tower's total areas were rented. The building has an average rent income of Baht 5.10 million per month.

Most of the rental terms of lease agreements and its customers are 3 years with 3 months of security deposit.

The following table features the Company's office buildings which under operation as of December 31, 2021

| Office building    | Location   | Nature   | Total rental areas (square meters) | Rent area under lease agreements (square meters) | Remaining rent areas (square meters) | Occupancy rate |
|--------------------|--|--|------------------------------------|--|--------------------------------------|----------------|
| SG Tower 1         | 161/1 Soi Mahadlek Luang 3, Rajdamri Road, Kwaeng Lumpini, Pathumwan District, Bangkok | One 19-storey office tower plus two stories of underground parking space | 15,022.84                          | 11,171.08  | 3,851.76                             | 74.36%         |
| The Millennia      | 62 Langsuan Road, Kwaeng Lumpini, Pathumwan District, Bangkok                          | One 26-storey office building plus one underground parking space         | 11,941.50                          | 8,573.31   | 3,368.19                             | 71.79%         |
| <b>Grand total</b> |  |  | <b>26,964.34</b>                   | <b>19,744.39</b>                                 | <b>7,219.95</b>                      | <b>73.22%</b>  |

## 5) Property management service

The Company started selling land and factory buildings to the TIF1 Property Fund for the first time in 2005 before selling additional assets to the TIF1 Property Fund and the M-II Property Fund again in 2007, 2012 and 2013. Aside from selling land, factory and warehouse buildings, the Company has been

appointed as a property manager of the property funds as well as property manager of SG's office buildings for rent in return for management fees summarized as follows.

**Remuneration from asset management in TIF1 Property Fund and M-II Property Fund**

- Property management fees and additional premiums
  - Brokerage fees for securing new tenants
  - Brokerage fees for contract renewal
  - Brokerage fees in case of property sales or transfer of property leasehold (excluding sales of property-to-property manager or persons within the group of property manager)
- (More details can be seen in the property manager appointment contract under Section 4 : Operating assets.)

As of December 31, 2021 the following are properties managed by the Company;

(1) The TIF1 Fund is a property fund consisting of freehold assets which mainly invests in land and Factory buildings located in industrial estates. The TIF1's properties include 26 factories located in each of the following sites:

| Industrial estate/industrial zone     | Location     | Types of service | Areas<br>(Square Meters) | Number of units<br>(Units) |
|---------------------------------------|--------------|------------------|--------------------------|----------------------------|
| 1. The Hi-Tech Industrial Estate      | Ayutthaya    | Land+Factory     | 17,247                   | 12                         |
| 2. The Bangpa-in Industrial Estate    | Ayutthaya    | Land+Factory     | 1,980                    | 1                          |
| 3. The Navanakorn Industrial Estate   | PathumThani  | Land+Factory     | 2,310                    | 1                          |
| 4. The Amata Nakorn Industrial Estate | Chonburi     | Land+Factory     | 9,150                    | 7                          |
| 5. The Bangkadi Industrial Estate     | PathumThani  | Land+Factory     | 10,611                   | 3                          |
| 6. The TFD Industrial Estate 1        | Chachoengsao | Land+Factory     | 3,240                    | 2                          |
| <b>Grand total</b>                    |              |                  | <b>44,538</b>            | <b>26</b>                  |

(2) The M-II Fund is a property fund of freehold and leasehold assets which mainly invests in properties and the rights to lease property. The M-II's properties include 35 factories and 17 warehouses located in each of the following sites:

| Industrial estate/industrial zone   | Location     | Types of service | Types of ownership | Areas<br>(Square Meters) | Number of units (Units) |
|-------------------------------------|--------------|------------------|--------------------|--------------------------|-------------------------|
| 1. The Navanakorn Industrial Estate | PathumThani  | Land+Factory     | Freehold           | 1,080.00                 | 1                       |
| 2. The TFD Industrial Estate 1      | Chachoengsao | Land+Factory     | Freehold           | 27,810.00                | 16                      |

| Industrial estate/industrial zone     | Location    | Types of service | Types of ownership               | Areas (Square Meters) | Number of units (Units) |
|---------------------------------------|-------------|------------------|----------------------------------|-----------------------|-------------------------|
| 3. The Laem Chabang Industrial Estate | Chonburi    | Land+Factory     | Freehold+ Leasehold <sup>1</sup> | 19,350.00             | 18                      |
| 4. The Kingkaew Warehouse             | SamutPrakan | Land+ Warehouse  | Freehold+ Leasehold <sup>2</sup> | 15,034.10             | 17                      |
| <b>Grand total</b>                    |             |                  |                                  | <b>63,274.10</b>      | <b>52</b>               |

Noted 1. The asset type of factories are freehold properties while the lands are leasehold properties. The lease rights of land (28-0-66.09 rai) will expire in the year 2042 and the sub-lease of the land (1-0-80 rai) expired in 2018, which the Fund has already executed to expand the term of lease agreement to be expired on December 17, 2042.

2. Warehouses are freehold properties while lands are leasehold properties. The right to lease the land (25-1-96 rai) is to be expired in 2036.

(3) SG's office buildings for rent which consist of 2 office buildings connected to each other between Soi Mahadlekluang 3, Rajdamri Road and Langsuan Road. Details are as follows:

| Office buildings for rent | Rentable area (Square Meters) | Type of assets  | Ownership of the assets |
|---------------------------|-------------------------------|---|-------------------------|
| 1. SG Tower 1             | 15,022.84                     | Right to lease the land and office building (expired in 2023)     | Vajiravudh College      |
| 2. The Millennia          | 11,941.50                     | Right to sub-lease the land and office building (expired in 2025) | JF Holding Co., Ltd.    |
| <b>Total</b>              | <b>26,964.34</b>              |   |                         |

#### 6) Management of trusts for investment in real estate and leasehold (TFDRM)

TFD Real Estate Management (TFDRM) conducts its business as the Trust manager for investment in real estate and leasehold. As of December 20, 2016, TFDRM has been approved by the SEC to be the Trustee for Property Investment in real estate. Currently, TFDRM is undergoing to run the feasibility study and to acquire assets in order to set up a trust fund to invest in real estate and leasehold rights.

**(2) Marketing and competitions****(A) Marketing strategies****1) Industrial estate**

Target groups of customers for the Company's industrial estate business are supporting industry and major operators who have already bought vacant land in the TFD Industrial Estate. Major target groups of customers are small and medium-sized enterprises (SMEs) which do not generate pollution and, however, look for transportation convenience. This refers especially to electronics and auto part manufacturers.

The TFD Industrial Estate is located at two meters above sea level and therefore is not prone to flooding. That's why the project is in great demand from investors wishing to buy vacant lands and rent factories here. The project also enjoys Zone 2 investment promotion privileges from the Board of Investment (BOI). In close proximity to Bangkok, the strategic location of the industrial estate gives the project a great competitive advantage. In addition, at present, the Company accumulated around 2,000 rai of land to be developed as an industrial estate. The land accumulation was gradually done at lower costs compared to its sales prices.

The land in any industrial estate is highly demanded by investors, demands for land in the TFD Industrial Estate have consistently increased. The Company's pricing of its land and rent will however be based on construction costs, funding costs and land prices in the neighborhood. The Company adjusts both the rent and sales prices of vacant land to accord with market conditions on a yearly basis.

The Company has 2 major sales and distribution channels; namely, sales office of the Company and real estate agents. At the other end, it communicates with markets through billboards erected at the TFD Industrial Estate, newspapers and websites.

**2) Standard factory building/warehouse building**

Target groups of customers in the completed factory and warehouse for rent business are small and medium-sized enterprises (SME) as well as Thai and foreign operators wishing to restrict their investment risk during the initial investment phase.

Some foreign investors prefer to have factory and warehouse in an industrial estate thanks to available public infrastructure and related industrial services. In addition, by concentrating in the industrial estate, they can take advantage from developed transportation system, raw material management and interdependency with other industrial counterparts. This is especially the case of the automobile industry and the petrochemical industry. In addition, completed factory and warehouse building help them save time and labor costs to build a factory to manufacture products. That's why factory and warehouse building for rent is an alternative that enables investors to reduce investment costs while enhancing their competition flexibility. Customers can choose to rent factory and warehouse buildings during an initial phase and will only buy

industrial land, factory or warehouse of their own when business subsequently expands. This service also helps the Company to maintain a good long-term relationship with customers as they could focus more at their strategic investment without having to put money into land, factory or warehouse and thereby reduces investment costs while increasing investment returns. As a result, the Company factory and warehouse location and its comprehensive one-stop service center are indeed its competitive advantage.

To set the rent, locations of factory and warehouse as well as rents demanded by competitors or nearby industrial estates are taken into consideration to ensure that the rent remains competitive.

The Company has 2 main distribution channels; namely, through salespersons of the Company and real estate agents. In addition, the Company also advertises through media such as billboards erected nearby the project's location, newspapers and website.

### **3) Real estate development (residential - condominium)**

Target groups of customers in the residential building project of both the Company are medium-income earners who eye for a condominium in the heart of the city close to sky train and those wishing to have the second home for weekend retreat.

As of December 31, 2020, the Company has 4 condominium projects under development and/or sold and/or waiting to be transferred to customers. Competitive advantage of the Company in the condominium business is a result of the management's long-time experience in the real estate development industry which enables the Company to effectively select an ideal site for residential projects.

Sales of the project are conducted through 2 main channels, namely, our salespersons and real estate agents.

### **4) Office building for rent**

Target groups of customers are Thai and foreign operators wishing to secure an office in the Central Business District (CBD). The Company's main group of customers is foreign business introduced to the Company by word-of-mouth.

Locations of these two office buildings are connected between Soi Mahadlekluang 3, Rajdamri Road and Langsuan Road which are close to two BTS Skytrain stations of Rajdamri and Chidlom. The site is considered a strategic location which helps enhancing the Company's competitive advantage in this office for rent business.

Determines the rent of its office space on the basis of original rents it currently charges customers while rents of neighboring offices are also taken into consideration to ensure the Company's



competitiveness. The Company has a policy to adjust its rents every 3 years based on the rental term to consistently reflect market conditions.

The Company has 2 major sales and distribution channels consisting of direct sales through the Company's sales office and sales through agents.

## **(B) Industrial situation and competition**

### **1) Industrial Estate**

The government plans to develop special economic zone throughout the country especially the provinces along the borderline that are connected to neighboring countries by the friendship bridge and the economic corridor linking the eastern and western part. All special economic zones will comprise of commercial, residential and industrial areas which will be an important factor affecting the industrial estate market in the country and in the future.

The Industrial Estate Authority of Thailand (IEAT) together with Thai and Japanese business alliances have signed the Memorandum of Corporation (MOC) in a project to study development guidelines "Industrial real estate which lead to Carbon Neutral" (Carbon Neutral Industrial Estate) in the Map Ta Phut area. This is in line with the Thailand's goal of becoming a low-carbon society through bio-economic activities, circular economy and green economy, to raise the standard of the industrial estate by developing industrial estate 4.0 prototypes in the Eastern Economic Corridor – Eastern Special Development Zone (EEC – ESDZ) including the Small Park Industrial Estate which will rely on sustainable design with beautiful architecture and technology and are environmentally friendly. This is to raise up the quality and standard of working life in industrial estates. Thailand 4.0 combines the capabilities of production technology with the information technology to show Thailand's potential to revolutionize the country's economic structure and competitiveness under the attractive policies to induce the increase of foreign investment in large industries by integrating cyber network and real-world production, networking in the form of internet of Things (IoT) which is immensely beneficial to production lines and processes in factories.

In addition, the Industrial Estate Authority of Thailand (IEAT) has entered into joint venture with the group of Chinese investors and financial institutions in Thailand to operate under China's One Belt One Road policy by cooperating in finding potential partners and investors to invest in industrial estate in the Special Economic Zone (SEZ) and various industrial estates which will result in fully integrated connections and support the IEAT to be the center of industrial development, trade and investment in the region.

The selling price of land in industrial estates and industrial parks depends on the location, distance from transportation systems, fundamental infrastructure and the distributor group. The selling price of land located in industrial estates in Bangkok is the highest area as it is a transportation hub which includes both the port and airport. The second and third place are Chachoengsao and Rayong provinces,

respectively. The land prices vary greatly in Bangkok and Chachoengsao because there are many industrial estates located near Bangkok while the other industrial estates are located further away such as land prices in industrial estates located in Prachinburi and Saraburi are cheaper because it is located far from Bangkok and the port.

Four industrial estates have been newly established with a total area of 6,305 rai, 3 of which are located in the eastern region, totaling area of 5,656 rai (90% of the total area of the newly established industrial estates) Sales and rental area of land in the industrial estates totaled 3,022 rai with the area in the eastern region is 2,812 rai ( 93% of total land for sale and lease), an increase of 124.6% reflecting the potential of the eastern region that still attracts most of the investors compared to other regions. At the end of 2020, the cumulative sales and lease of industrial estates across the country totaled 123,861 rai, representing an occupancy rate of 76.4%, decrease from 77.5% in 2019.



**Sales / Rent of industrial estates**



**Cumulative amount of supply and the industrial estate area for sale / rent**

During 2021-2023, the industrial estates business is likely to grow after a sharp contraction in 2020. It is expected that sales and rental of land in industrial estates over the next three years will grow by an average of 20% per year at 1,500, 1,900 and 2,300 rai accordingly (Reference from Krungsri Research Center, 2021)



Sources : REIC, forecast by Krungsri Research

### Forecast of sales / rental area in the industrial estate

The government sector has measures to stimulate investment and increase tax privileges to attract investors and amending some regulations to facilitate the business to help attract more foreign investors such as the BOI investment Promotion Act provided a corporate tax exemption for up to 13 years (from 8 years) and a 50% tax deduction for an additional 5 years, as well as other incentives to reduce the impact of the COVID-19 pandemic such as extending the time of tax reimbursement, Land and Buildings Tax Cuts Set to reduce taxes at a 90% for the year 2021 taxation.

Competition condition within the industrial estate business is also classified as moderate because there are few operators and is a business that requires a lot of investment fund. The direct competitors of the Company are industrial estates in the same location which comprises of 5 industrial estates, namely Gateway City Industrial Estate, Wellgrow Industrial Estate, Amata Nakorn Industrial Estate, Asia Industrial Estate and T-Park Industrial Estate. However, from the location of TFD industrial Estate which is considered a strategic point and creates a competitive advantage for the Company. As a result, the Company has quite high competitiveness and can be a leader in price setting (Price Maker) in industrial estates located nearby.

Industrial estate business in 2022 tends to recover in line with the economic direction with an accelerated growth trend, which will support demand for buying or renting land. The operators have plans to develop industrial estates in the form of Small Park which are modern in terms of production technology, transportation systems, communication systems, energy systems, as well as to develop the industrial estates that are environmentally friendly to support future industries. Industrial estates in the eastern region have potential to grow more prominent than in other areas from the benefits from the fundamental infrastructure investment to support the EEC projects in 3 provinces, namely Chonburi, Rayong, and Chachoengsao which will attract the attention of both Thai and foreign investors.

In addition, the government sector has also pushed for the industrial development policies after the COVID-19 situation that the industrial sector must adjust its direction to cope with the changes by focusing on promoting domestic production to create a supply chain, promoting the production and exporting of high potential products in the New S-Curve, coupled with the government's promotion measures to stimulate and restore investment in manufacturing businesses such as the electric automotive industry. At the same time, the government has the main goal of promoting Thailand as a center of trading, investment and an important production base of the world. These are all key positives in attracting more investments in the near future.

## **2) Standard factories/ warehouses**

The development of industrial estates generally starts with the development of industrial land, fundamental infrastructure on the industrial land and sale of land to industrial investors to construct the factories or warehouses. However, operators may choose the option of renting a factory or warehouse instead of building it themselves in order to decrease the initial investment and reduce the risks from various uncertainties that may occur. The renting of such factories and warehouses allows the tenants to enjoy the convenience of receiving a full range of services from those industrial estates. In addition, the standard factory and warehouse business also allow the foreign investors to invest in manufacturing base in the country without holding ownership in factories and warehouses.

The supply of standard factory and warehouse for rent can be divided into two main categories as follows: supply from the factory and warehouse developers on their own industrial land plots which the factory and warehouse developers will be the same person as the owner of the industrial estate. The second type is the supply from the developers of factories and warehouses on industrial land which they purchased or leased from the industrial land owners such as the companies that operate factories and warehouses for rent on land that purchased from the landlords in the industrial estates in various locations. The demand for standard factories and warehouses for rent will come from the operators who do not want to own factory and warehouse as assets to reduce the initial investment of the project and for flexibility in business operations. Moreover, Thailand is a good choice for foreign entrepreneurs to invest due to the location which is considered as the center of Asia, skilled workers including various rules and regulations that supports the foreign investment which result in increase in demand for factory and warehouse rentals.

The competition situations in the standard factory/warehouse business is still in the medium level because there are few operators and this business requires a lot of investment value same as the industrial estate business. Moreover, most of the entrepreneurs and investors who need factories and warehouses for rent will already have a target location that can support their business. The direct competitors of the Company in this business are various industrial estates located in the same location and also provide

standard factories and warehouses for rent. From the location of TFD Industrial Estates which is considered a strategic point and creates a competitive advantage for the group Company resulting in the Company having a high competitive potential and can be a leader in pricing (Price Maker) in the business of standard factories / warehouses located in nearby locations.

As for the overview of factories, warehouses and distribution centers for rent, it has grown continually in contradiction with the economic trend due to the positive impact of the COVID-19 crisis which accelerate the growth in the e-commerce business online trading worth up to 4-5 hundred billion Baht which is an important factor supporting the warehouse business from the need for storage space and distribution of products increase in multiply. On the other hand, the risk of closing the country, lockdown the travel and transport causing the trend to relocate the base of both domestic and foreign manufacturers want to move closer to the consumer, thus results in the occupancy rate of rental space significantly increase in the Thai warehouse and factory market. At present, the total area has been used up to 6.099 million square meters from the total area across the country of 6.963 million square meters, representing 87.60%. In the first half of 2021, the director of research and communications, the research firms and real estate consultancy revealed that there are more than 150,000 square meters of new lease contracts.

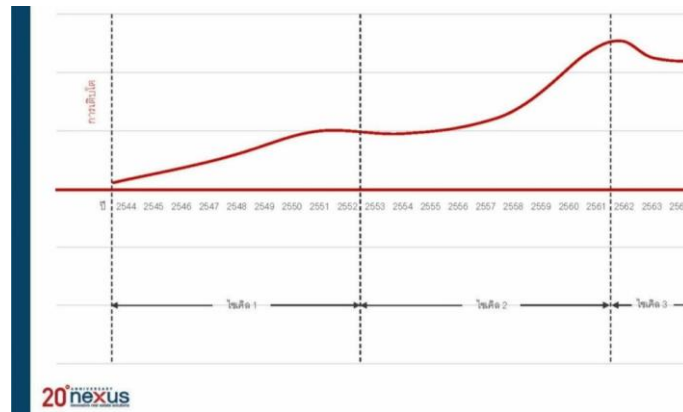
On the other hand, major developers are still looking for land to develop to factories and warehouses for next year especially the area in Samut Prakarn, Ayutthaya and in the EEC area. After the progress of EEC infrastructure projects such as the high-speed rail project connecting the airport and the development of U-Tapao Airport, all these progresses have a positive effect on the industrial business group. These factors can attract investors to invest in the country because it is a strategic area of Thailand.

Warehouse business that is in operation as of November 30, 2021 : there are 1,240 companies, accounting for 0.15% of the business that is in operation and has a capital value of 20,417.62 million Baht or equivalent to 0.11% of the total business operating in Thailand. Overall performance of the warehouse business is a business that has continuously growth in revenues. The increase in total revenue growth in 2018-2020 are 2.79% and 22.37% respectively. The warehouse business trend has continued to grow continuously in value. This can be reflected from the value of the e-commerce business in Thailand especially in the area of Bangkok and surrounding areas that support the e-commerce business and the Eastern Special Economic Zone in accordance with the government's industrial area promotion policy (Reference from the Department of Business Development, 2021)

### **3) Real Estate Development (Residential building – condominium)**

The real estate market in year 2021 is considered the year that the market has slowed down due to several factors such as the prolonged of COVID epidemic, causing several business sectors to be affected and cannot recover. Thus, directly affect the purchasing power of consumers including high level of

household debt. This allows consumers to take longer time to make real estate purchase decision. During 2019-2021, the condominium market contracted significantly due to the impact of economic factors and the COVID-19 pandemic which makes the consumers more conscious to spend money and reducing spending on luxury goods. In the past 3 years, the supply increased only 80,100 units. In 2021, only 16,800 units of new condominiums opened which was the lowest value during the past 12 years.



**The growth of condominium market in Bangkok during the past 20 years**

Condominium market trends in 2022, the market will gradually move back to growth. The market price level will not increase much as there are new condominium developments that penetrate the condominium budget target groups. The condominium market remains more stable, the increase in price will reflect real demand even more. In 2022, it is expected that the condominium market in Bangkok will have new project launch at least 30,000 units and supply will grow in 2 main market which first groups are condominiums in the middle of the city, caused by the need for a second home near the working place, school or when the older want to move into the city for convenience in travel, maintaining a compact, safer and more comfortable housing. The second group is the city condo market caused by the expansion of the city and various BTS/MRT including the demand of consumers who want to live near the BTS for the convenience of traveling and working.

In addition, the government has public measures that facilitate the purchase of real estate, such as reducing the transfer fee, mortgage fees for real estate not exceeding 3 million Baht including the relaxation of the mortgage control measures (Loan-to-Value : LTV) of the Bank of Thailand which support the buyers and investors to help stimulate the real estate market. Moreover, the relaxing of the epidemic control measures, better vaccine distribution and the economic situation which is likely to recover. However, there are many challenges to be faced such as the epidemic of COVID-19 which is still unsolved, household debt, the strictness in considering mortgage loans of financial institutions including political uncertainty.

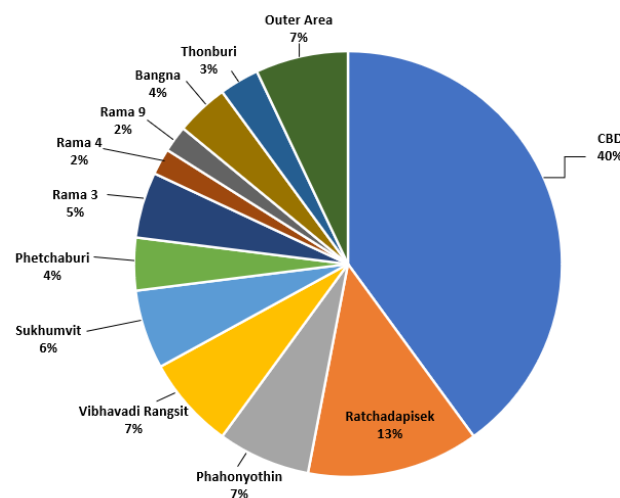
The president of the Real Estate Association looks at the outlook for the year 2022 that housing estates and condominiums show a sign of 10-15% recovery rate since the previous year the condominium market was decrease by 30%. For the price in 2022, in terms of price competition may not be as intense as in 2020-2021 because the existing stocks is less resulting in less pressure. In addition, in term of price of the condominiums tend to increase because the project development costs are more expensive. It is estimated that the residential price will increase by 3-5%.

#### 4) Office building for rent

Most of the office buildings for rent in Thailand are located in Bangkok and Bangkok Metropolitan Region (BMR) accounting for 80% of the total office building construction across the country. It is concentrated in the Central Business District of Bangkok (CBD) and is in the area of the location of the office buildings, leading shopping center, high-ends hotel and residences in the center of the convenient and fast transportation with the electric train system (BTS and MRT) and expressways which connect the outer area with the CBD area such as Silom, Sathorn, Ploenchit, Wireless Road, Asoke and early Sukhumvit area (to Sukhumvit Soi 24). However, the CBD area is limited by the low availability of land and high prices. This is a major obstacle to the development of office buildings for rent. Thus, the development of the electric train system and transportation routes are the factors that encourages most of the new office buildings to spread out to areas outside the CBD such as Ratchadaphisek, Phaholyothin, Vibhavadi Rangsit, Chaengwattana and Bangna etc.

The Central Business District (CBD) is the area with the most office buildings in Bangkok for approximately 40% of the total office space in Bangkok. The following areas are areas along Ratchadaphisek Road (outside the CBD) with approximately 13%, other areas accounting for less than 50% of Bangkok's total office space. Other areas besides the 2 abovementioned areas are the areas that previously had office buildings before Bangkok had a BTS route to open, which in fact it's the same as the buildings in the area of CBD and Ratchadaphisek because most of the office buildings in Bangkok were completed before the BTS opened for service.

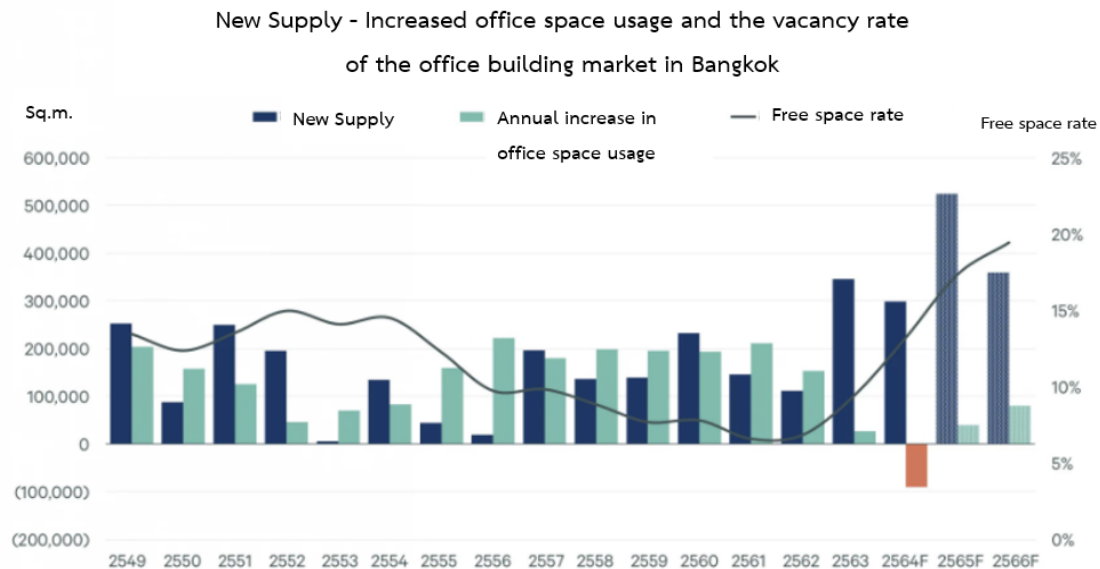
Cumulative office building space in Bangkok classified by location



Source: PHOENIX Property Development and Consultancy



For the office rental market, there should be a clearer approach to implementing a hybrid working model in the workplace to ensure the efficient operation, cost control and can maintain the employee contribution and engagement with the organization.



In addition, the standards in the areas of environmental, social and environmental governance (ESG) will become increasingly important. As the multinational companies have set the Carbon Neutrality target or net zero greenhouse gas emissions reductions from the year 2030 onwards, the changes in utilization of office building area will make many old office buildings not suitable for the modern workplace as well as retain and attract talented employees. With the number of new office building projects that added into the market continuously, many old office buildings in Bangkok that has not been renovated or refurbished will become obsolete buildings.

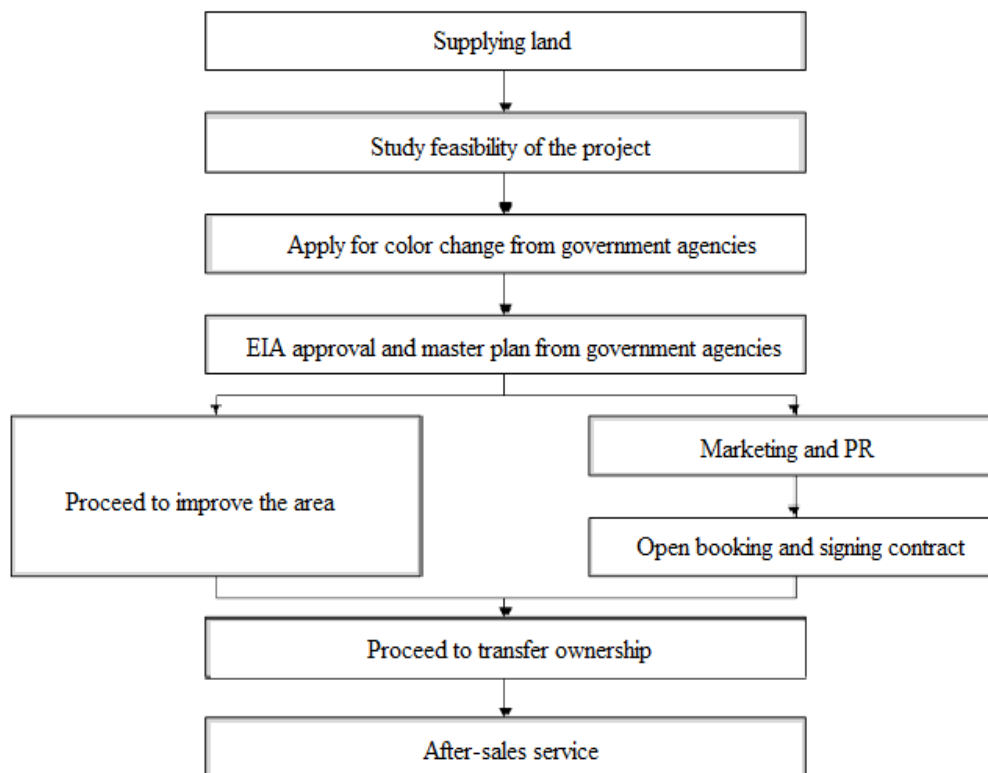
However, the situation in the office building for rent market continues to be interesting because in the next 5 years there will be new supply coming into the market approximately 1.8 million square meters from the development of many beautiful plots of land in the heart of the city including other zones around Bangkok. It has been announced that the development of office buildings continuously. From a large supply to gradually enter into the market, this will result in the bargaining power of the renters will increase more than ever before in the future. When including with the situation of the economy in 2022, which is expected that there will be a slow recovery and in the future there is a tendency for the use of land to decrease in the long term from the entering into the aging society that the number of people of working age may decrease. Such all these factors may result in rental rates continue to shrink.

However, as many companies have announced plans to return to more offices by the end of 2021 but remain cautious as the infection rates remain high and still have to keep an eye on the result of the latest opening of the country will have an impact especially in the next 3 years, the market could be more balance in 2025 if supply levels are adjusted and many old and obsolete buildings are taken off the market.

### (3) Product or Service procurement

#### 1) Industrial estate

The Company has spent 3-5 years duration to develop land for the project TFD Industrial Estate phase 1. Such time does not include the time in process of asking for permission from related authorities which is the key factor to the time duration. Another factor is season as it is very hard to develop in the rainy season. The main materials and services in developing land to set up Industrial estate comprises of land, contractor, project designer or planner and construction materials such as cement and steel etc. The contractor that the Group Company has assigned to do the construction part for the project will also responsible to procure such materials. In brief, the process of the Company's industrial estate development can be summarized as in the flow-chart below;



The main materials and services in developing land to set up Industrial estate comprises of land, contractor, project designer or planner and construction materials such as cement and steel etc. The contractor that the Company has assigned to do the construction part for the project will also responsible to procure such materials.

**2) Standard ready-built factory / warehouse**

The Company has spent 6-7 months duration to build the standard ready built factory and warehouse which also exclude the time spent on permission from related authorities. The duration of time for building depends on the time spent on permission from related authorities and also the season as it is hard to build in the rainy season, same factors as the case to develop the industrial estate.

The main materials and services in building the standard ready built factory and warehouse consists of land, contractor, project designer or planner and construction materials, the same ingredients as used to develop land for the industrial estate. The contractor that the Company has assigned to do the construction part for the project will also responsible to procure such construction materials.

**3) Real estate development (residential - condominium)**

The Company have spent 2.5-3 years duration to develop and build the Condominium, not taking in to account the time in process of asking for permission from related authorities. The time used in building each condominium project will depend mainly on the size of the project.

Main materials in building Condominium project are land, contractor, Project designer and construction materials such as Precast concrete, glass and aluminum etc. The contractor that the Company has assigned to do the construction will also responsible to procure such construction materials.

**4) Office building**

The Company also operate the office building for rent, by co-operate with the partnership, Schubert Holdings Plc., Ltd, to take over SG Company which owns 2 office buildings. After such investment, the Company also acts as the project management company.

**(4) Unfinished Work**

As of December 31, 2021, the Company and subsidiaries not had unfinished work.

### 1.3 Shareholding Structure of the Group of the Company

#### 1.3.1 Shareholding Structure of the Group of the Company

As of December 31, 2021, the Company had subsidiaries and joint venture which operates real estate development business under the ownership directly and indirectly of 5 companies and had 1 joint venture consisting of;

Subsidiaries

- JCK Utilities Company Limited (JCKU)
- CROWN Development Company Limited (CROWN)
- SG Land Company Limited (SG)
- TFD Real Estate Management Company Limited (TFDRM)
- Ratchadumri Real Estate Management Company Limited (RDR)

Joint venture

- BGY and TFD Properties Company Limited (BGY&TFD) (Record interest in the Company's financial statements)

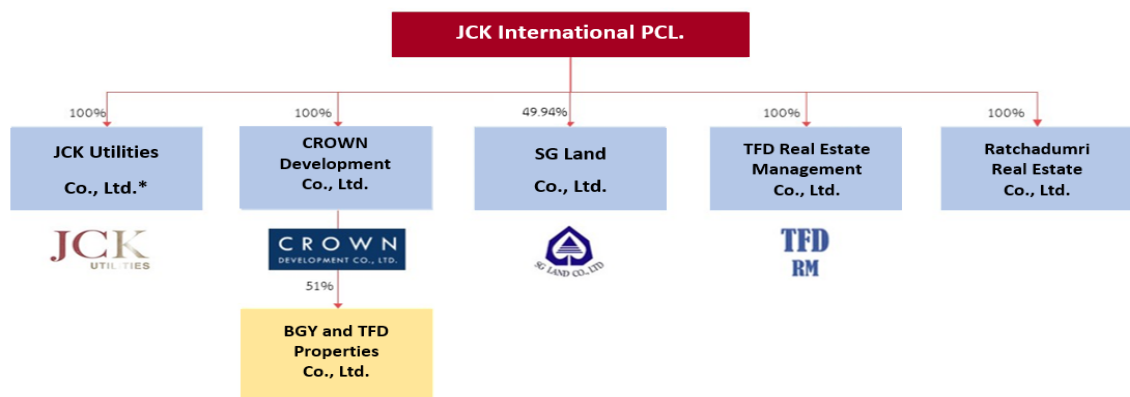


Figure 1 Diagram showing the shareholding structure of the Company as of December 31, 2021

Shareholding not different from the proportion of voting rights

The Company, its subsidiaries and joint venture develop properties in a variety of shapes and forms, as of December 31, 2021 can be classified into six main business groups as follows;

- Industrial estate
- Standard factory/warehouse
- Real estate development (residential - condominium)
- Office building for rent
- Property management service
- Managing Real Estate Investment Trust (REIT)

## Information of Subsidiaries and Joint Venture

### Subsidiaries

#### **JCK Utilities Company Limited (Former Total Industrial Services Company Limited)**

|                             |  |
|-----------------------------|--|
| Company Abbreviation        | JCKU   |
| Company registration date   | April 25, 2003   |
| Company registration number | 0105546049692  |
| Registered Capital          | Baht 500,000,000 ( As of December 31, 2021 )   |
| Paid-up Capital             | Baht 425,000,000 ( As of December 31, 2021 )   |
| Par Value                   | Baht 10 per share  |
| Shareholder                 | JCK International Public Company Limited hold shares 100%.   |
| Nature of Business          | Construction of standard factories and warehouses for sale and rent.<br>Located in TFD Industrial Estate (Tha Sa-an), Laem Chabang Industrial Estate and Bang Sao Thong. |
| Head Office                 | No. 18, Soi Sathorn 11 Yeak 9, TFD Building, Yannawa, Sathorn, Bangkok 10120<br>Tel. (662) 676-4055-57 Fax. (662) 676-4038   |
| Website                     | <a href="http://www.jckutilities.co.th/">http://www.jckutilities.co.th/</a>  |

#### **CROWN Development Company Limited (Former VSSL Enterprise Company Limited)**

|                             |  |
|-----------------------------|--|
| Company Abbreviation        | CROWN  |
| Company registration date   | July 10, 1998  |
| Company registration number | 105541042436   |
| Registered Capital          | Baht 640,000,000 ( As of December 31, 2021 )   |
| Paid-up Capital             | Baht 640,000,000 ( As of December 31, 2021 )   |
| Par Value                   | Baht 100 per share   |
| Shareholder                 | JCK International Public Company Limited hold shares 100%.   |
| Nature of Business          | Real estate development. There is one project that is currently under development consist of condominium project namely 15 Sukhumvit Residences. |
| Head Office                 | No. 18, Soi Sathorn 11 Yeak 9, TFD Building, Yannawa, Sathorn, Bangkok 10120<br>Tel. (662) 676-4031 Fax. (662) 676-4038                          |

**SG Land Company Limited**

|                             |   |
|-----------------------------|---|
| Company Abbreviation        | SG  |
| Company registration date   | June 8, 1988  |
| Company registration number | 0105531041836   |
| Registered Capital          | Baht 100,450,000 ( As of December 31, 2021 )  |
| Paid-up Capital             | Baht 100,450,000 ( As of December 31, 2021 )  |
| Par Value                   | Baht 5 per share  |
| Shareholder                 | JCK International Public Company Limited hold shares 49.91%.  |
| Nature of Business          | Office buildings for rent 2 buildings, namely SG Tower 1 and the Millenia Building (SG Tower 2) located on Ratchadamri Road.                |
| Head Office                 | No.161/1 Soi Mahadlekluang 3, Ratchadamri Road, Lumpini Subdistrict, Pathumwan District, Bangkok<br>Tel. (662) 651-9481 Fax. (662) 651-8575 |

**TFD Real Estate Management Company Limited**

|                             |   |
|-----------------------------|---|
| Company Abbreviation        | TFDRM   |
| Company registration date   | July 14, 2015   |
| Company registration number | 0105558114907   |
| Registered Capital          | Baht 38,000,000 ( As of December 31, 2021 )   |
| Paid-up Capital             | Baht 30,500,000 ( As of December 31, 2021 )   |
| Par Value                   | Baht 10 per share   |
| Shareholder                 | JCK International Public Company Limited hold shares 100%.  |
| Nature of Business          | Operate business as a trust manager to invest in real estate (REIT)   |
| Head Office                 | No. 18, Soi Sathorn 11 Yeak 9, TFD Building, Yannawa, Sathorn, Bangkok 10120<br>Tel. (662) 676-0288 Fax. (662) 676-0277 |

**Ratchadumri Real Estate Company Limited (Former Mahadlek Luang Company Limited)**

|                             |  |
|-----------------------------|--|
| Company Abbreviation        | RDR  |
| Company registration date   | January 28, 2020   |
| Company registration number | 0105563015776  |
| Registered Capital          | Baht 100,000,000 ( As of December 31, 2021 )               |
| Paid-up Capital             | Baht 70,300,000 ( As of December 31, 2021 )                |
| Par Value                   | Baht 100 per share   |
| Shareholder                 | JCK International Public Company Limited hold shares 100%. |

|                    |  |
|--------------------|--|
| Nature of Business | Real estate development business   |
| Head Office        | No. 18, Soi Sathorn 11 Yeak 9, TFD Building, Yannawa, Sathorn, Bangkok 10120 |
|                    | Tel. (662) 676-4031 Fax. (662) 676-4038                                      |

### **Joint Venture**

#### **BGY & TFD Properties Company Limited**

|                             |  |
|-----------------------------|--|
| Company Abbreviation        | BGY & TFD  |
| Company registration date   | June 21, 2018  |
| Company registration number | 0105560101621  |
| Registered Capital          | Baht 350,000,000 ( As of December 31, 2021 )   |
| Paid-up Capital             | Baht 350,000,000 ( As of December 31, 2021 )   |
| Par Value                   | Baht 35 per share  |
| Shareholder                 | CROWN Development Company Limited (Subsidiary of JCK) hold shares 51%  |
| Nature of Business          | Real estate development business for sale. There is one projects that are currently under development namely Artisan Ratchada Condominium, Soi Thian Ruammit, Huai Khwang, Bangkok |
| Head Office                 | No. 9, G Tower Grand RAMA 9 Building, 24 <sup>th</sup> Floor, Rama 9, Huai Khwang, Bangkok, 10310  |
|                             | Tel. (662) 126-6870  |

In addition, the Company also invests in another real estate fund, namely the MFC Industrial Investment (M-II) Property and Leasehold Fund, which has a registered capital as of December 31, 2021, equal to Baht 1,534.24 million. The objective is to invest in real estate in the type of industrial factory for rent. The Company holds 10.04% of the total issued investment units. The objective of M-II is developing real estate for sale.

**1.3.2 Persons who may have conflicts of interest hold shares in subsidiaries or associated companies in aggregate more than 10 % of the number of shares with voting rights of that company. Explain the reasons**

-None-

**1.3.3 Relationship with the business group of the major shareholder**

-None-



### 1.3.4 Shareholders

#### (1) Major Shareholders

10 major shareholders of the Company as of August 30, 2021, which is the date for collecting the list of shareholders of the Company. The list is as follows:

| No.          | Name                                   | Shareholding         | Percentage     |
|--------------|--|----------------------|----------------|
| 1            | <b>Group of Mr. Apichai Taechaubol</b> | <b>757,078,945</b>   | <b>34.86%</b>  |
|              | Mr. Apichai Taechaubol                 | 375,896,456          | 17.31%         |
|              | Mrs. Chalida Taechaubol                | 279,866,966          | 12.89%         |
|              | Mr. Krittawat Taechaubol               | 44,095,000           | 2.03%          |
|              | Mr. Chotiwit Taechaubol                | 36,720,859           | 1.69%          |
|              | Mr. Noppawee Taechaubol                | 15,520,800           | 0.71%          |
|              | Miss Waraporn Taechaubol               | 2,771,736            | 0.13%          |
|              | Miss Orranut Taechaubol                | 2,200,000            | 0.10%          |
|              | JC Assets Company Limited              | 7,128                | 0.00%          |
| 2            | <b>Group of MR. KUO-CHAN TSENG</b>     | <b>249,500,000</b>   | <b>11.50%</b>  |
|              | MR. KUO-CHAN TSENG                     | 75,900,000           | 3.50%          |
|              | MR. KUAN-SHUN TSENG                    | 61,800,000           | 2.85%          |
|              | MR. KUAN-PING TSENG                    | 61,800,000           | 2.85%          |
|              | MRS. YU-HUI CHEN                       | 50,000,000           | 2.30%          |
| 3            | <b>Miss Sumalee Ongcharit</b>          | <b>78,195,200</b>    | <b>3.60%</b>   |
| 4            | <b>Group of Mayakarn</b>               | <b>76,884,975</b>    | <b>3.54%</b>   |
|              | Mrs. Orrapan Mayakarn                  | 38,111,481           | 1.76%          |
|              | Mr. Suchart Mayakarn                   | 20,573,494           | 0.95%          |
|              | Miss Euakarn Mayakarn                  | 16,200,000           | 0.75%          |
|              | Mr. Dusit Mayakarn                     | 2,000,000            | 0.09%          |
| 5            | <b>Thai NVDR Company Limited</b>       | <b>76,473,496</b>    | <b>3.52%</b>   |
| 6            | <b>Mr. Sutthipoj Taechatheerawat</b>   | <b>24,260,000</b>    | <b>1.12%</b>   |
| 7            | <b>Mrs. Pensri Ratthanasuntrakul</b>   | <b>24,159,281</b>    | <b>1.11%</b>   |
| 8            | <b>Miss Mantmas Atisuthaphot</b>       | <b>18,137,647</b>    | <b>0.84%</b>   |
| 9            | <b>Group of Thanawutwattana</b>        | <b>17,772,214</b>    | <b>0.82%</b>   |
|              | Mr. Tawatch Thanawutwattana            | 16,448,802           | 0.76%          |
|              | Miss Orranuch Thanawutwattana          | 779,640              | 0.04%          |
|              | Miss Jintana Thanawutwattana           | 389,820              | 0.02%          |
|              | Mr. Thanarat Thanawutwattana           | 153,952              | 0.01%          |
| 10           | <b>Mr. Suppachok Yongstar</b>          | <b>12,400,000</b>    | <b>0.57%</b>   |
| 11           | <b>Others</b>                          | <b>836,432,821</b>   | <b>38.52%</b>  |
| <b>Total</b> |  | <b>2,171,294,479</b> | <b>100.00%</b> |

**(2) Major shareholders who by behavior influences the Company's policy, management or operation significantly.**

- |                               |  |
|-------------------------------|--|
| 1. Mr. Apichai Taechaubol     | Director of the Company which is the representative of the major shareholder   |
| Positions in listed companies | Chairman and Chief Executive Officer<br>(Authorized person to sign on behalf of the company according to the company certificate)            |
| 2. Mr. Kittawat Taechaubol    | Director of the Company which is the representative of the major shareholder   |
| Positions in listed companies | Executive Director and Deputy Managing Director<br>(Authorized person to sign on behalf of the company according to the company certificate) |

**(3) Restrictions on the transfer of company shares**

The Company has no restrictions on the transfer of shares unless the transfer of shares causes foreign shareholders to hold shares in the Company More than 38% of the total number of shares sold of the Company.

**(4) List of shareholders of subsidiaries**

The shareholder structure of the subsidiaries as of December 31, 2021 is as follows:

| Name of Shareholder / Subsidiaries | JCKU              |                       | CROWN            |                       | SG                |                       | TFDRM            |                       | RDR              |                       |
|------------------------------------|-------------------|-----------------------|------------------|-----------------------|-------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
|                                    | No. of Share      | Proportion of holding | No. of Share     | Proportion of holding | No. of Share      | Proportion of holding | No. of Share     | Proportion of holding | No. of Share     | Proportion of holding |
| The Company or JCK                 | 49,999,972        | 99.96%                | 6,399,998        | 100%                  | 10,031,950        | 49.93%                | 3,799,997        | 100%                  | 999,997          | 100%                  |
| Mr. Krittawat Taechaubol           | 24                | 0.04%                 | 1                | 0%                    | -                 | -                     | -                | -                     | 1                | 0%                    |
| Mr. Anukul Ubonnuch                | 4                 | 0.00%                 | 1                | 0%                    | -                 | -                     | 2                | 0%                    | 1                | 0%                    |
| Mr. Gumpol Tiyyarat                | -                 | -                     | -                | -                     | -                 | -                     | 1                | 0%                    | -                | -                     |
| Mr. Apichai Taechaubol             | -                 | -                     | -                | -                     | -                 | -                     | -                | -                     | 1                | 0%                    |
| SCHUBERT HOLDINGS PLE              | -                 | -                     | -                | -                     | 10,031,949        | 49.93%                | -                | -                     | -                | -                     |
| Lome Dumri Co., Ltd.               | -                 | -                     | -                | -                     | 9,836             | 0.05%                 | -                | -                     | -                | -                     |
| Sawat Dumri Co., Ltd.              | -                 | -                     | -                | -                     | 9,836             | 0.05%                 | -                | -                     | -                | -                     |
| SubLt. Saeree Osathannukroh        | -                 | -                     | -                | -                     | 1,071             | 0.01%                 | -                | -                     | -                | -                     |
| Mrs. Srisuma Praditsuan            | -                 | -                     | -                | -                     | 1,071             | 0.01%                 | -                | -                     | -                | -                     |
| Mr. Pasuree Osathannukroh          | -                 | -                     | -                | -                     | 1,071             | 0.01%                 | -                | -                     | -                | -                     |
| Mrs. Wimonthip Pongsathorn         | -                 | -                     | -                | -                     | 536               | 0%                    | -                | -                     | -                | -                     |
| Ladyship Malathip Osathannukroh    | -                 | -                     | -                | -                     | 536               | 0%                    | -                | -                     | -                | -                     |
| Mr. Worrawit Osathannukroh         | -                 | -                     | -                | -                     | 536               | 0%                    | -                | -                     | -                | -                     |
| Mrs. Saowanee Sarrasart            | -                 | -                     | -                | -                     | 536               | 0%                    | -                | -                     | -                | -                     |
| Mrs. Jarmmaree Osathannukroh       | -                 | -                     | -                | -                     | 536               | 0%                    | -                | -                     | -                | -                     |
| Mr. Worrewut Osathannukroh         | -                 | -                     | -                | -                     | 536               | 0%                    | -                | -                     | -                | -                     |
| <b>Total</b>                       | <b>50,000,000</b> | <b>100%</b>           | <b>6,400,000</b> | <b>100%</b>           | <b>20,090,000</b> | <b>100%</b>           | <b>3,800,000</b> | <b>100%</b>           | <b>1,000,000</b> | <b>100%</b>           |

(2) Agreement between major shareholders (shareholders' agreement) in matters affecting the issuance and offering of securities or the management of the Company and explain the important aspects that affect the operation

- None -

#### **1.4 Amount of registered capital and paid-up capital**

##### **1.4.1 Amount of registered capital and paid-up capital**

As of December 31, 2021, the Company has registered capital Baht 4,438,806,550, divided into 4,438,806,550 ordinary shares with a par value of Baht 1 per share and paid-up registered capital Baht 2,302,750,962, divided into 2,302,750,962 ordinary shares with a par value of Baht 1 per share.

##### **Listed stock exchange**

The Stock Exchange of Thailand

No. 93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400

**1.4.2 In the event that the Company has other types of shares with different rights or conditions than ordinary shares, such as preferred shares. Explain the main characteristics of the securities.**

- None -

**1.4.3 In the case of shares or convertible securities of the Company as underlying securities in issuing investment units of mutual funds for foreign investors (Thai Trust Fund) and depository receipts for benefits arising from Thai underlying securities (NVDR)**

As of August 30, 2021, which is the date for collecting the list of shareholders of the Company, Thai NVDR Company Limited holds 76,473,496 ordinary shares or equivalent to 3.52% of the total issued and paid-up shares of the Company. Investors who hold NVDR will receive financial benefits as if investing in the Company's shares in all respects, including dividends, right to subscribe for newly issued shares or warrants to purchase ordinary shares (Warrant), but will not have the right to vote at the shareholders' meeting.

## 1.5 Issuance of other securities

### 1.5.1 Convertible securities

#### (1) Warrant

As of November 12, 2020, the Company has issued and allocated warrants to purchase the Company's ordinary shares No. 6 (JCK-W6) to existing shareholder totaling 1,073,369,142 shares. Such warrants are valid for a period not exceeding 2 years from the issuance date of the warrants which can be exercised on the last business day of every quarter. The first exercise date is March 31, 2021, the last exercise date and the warrant expiration date is November 11, 2022 (November 12, 2022 is a holiday), with an exercise ratio of 1 unit per 1 share, exercise price Baht 2.00 per share.

As of December 31, 2021, Warrant No. 6 (JCK-W6) amounted to 1,073,369,142 units without exercise of right to purchase ordinary shares.

#### (2) Convertible Debentures

As of September 23, 2021, the Extraordinary General Meeting of Shareholders resolved to approve the Company to issue and offer convertible debentures to specific investors, namely Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1). The total value of convertible debentures is not more than Baht 1,000 million, divided into 4 tranches of withdrawals, details as follows:

| Tranche | Interest Rate (%)* | Amount (Baht) |
|---------|--------------------|---------------|
| 1       | 2.00               | 200,000,000   |
| 2       | 2.00               | 250,000,000   |
| 3       | 2.00               | 250,000,000   |
| 4       | 2.00               | 300,000,000   |

(\*) 2% per annum with quarterly interest payment from the date of issuance of convertible debentures

The Company will gradually issue convertible debentures one by one, respectively and in issuing convertible debentures in each set, the Company will be gradually released into individual sub-tranches according to the Company's financial needs each time. The period for issuing convertible debentures is set to be within 3 years from the date of issuance of each convertible debenture. Principal repayment schedule to be paid in one installment at the maturity of each tranche of convertible debentures and the right to redeem the convertible debentures stated that the convertible debentures holders may or may not have the right to request the Company redeem the convertible debentures before maturity and/or the Company may or may

not have the right to redeem the convertible debentures before maturity. The redemption of the convertible debentures shall be in accordance with the terms and conditions of the convertible debentures that to be issued each time.

The conversion price must not be less than 90% of the weighted average price of the Company's shares in SET retrospectively not less than 7 consecutive business days but not more than 15 consecutive business days prior to the date the convertible debentures holders exercise the right to convert.

In 2021, the Company offered the newly issued convertible debentures of the Company No. 1/2021, totaling Baht 50 million, and the convertible debenture holders exercised their convertible rights under these convertible debentures in full exercise of 50,155,670 convertible shares with a par value of Baht 1 per share, equivalent to the amount of paid-up capital that the Company increases its capital equal to Baht 50,155,670.

### 1.5.2 Debentures

As of December 31, 2021, the Company has outstanding long-term debentures totaling Baht 3,500.84 million. The Company's debentures are not rated as credit. The details are as follows;

| Type of Debentures              | Guarantee      | No.                 | Issued Date | Maturity Date | Interest Rate (%) | Maturity         | Amount  |                |
|---------------------------------|----------------|---------------------|-------------|---------------|-------------------|------------------|---------|----------------|
|                                 |                |                     |             |               |                   |                  | (Unit)  | (Million Baht) |
| Debentures which un subordinate | Has guarantee  | 3/2018 <sup>1</sup> | 27-09-2018  | 27-03-2024    | 7.00              | 5 years 6 months | 344,320 | 344.32         |
|                                 | Some guarantee | 1/2019 <sup>2</sup> | 15-02-2019  | 15-02-2023    | 7.25              | 4 years          | 472,950 | 472.95         |
|                                 | Has guarantee  | 2/2019 <sup>1</sup> | 22-03-2019  | 22-03-2023    | 7.00              | 4 years          | 965,900 | 965.90         |
|                                 | Has guarantee  | 3/2019 <sup>1</sup> | 26-07-2019  | 26-07-2023    | 6.75              | 4 years          | 529,720 | 529.72         |
|                                 | Has guarantee  | 1/2020 <sup>1</sup> | 24-01-2020  | 24-01-2024    | 7.00              | 4 years          | 811,100 | 811.10         |
|                                 | Has guarantee  | 2/2020 <sup>1</sup> | 13-02-2020  | 13-08-2022    | 7.25              | 2 years 6 months | 390,000 | 390.00         |
| Cost of issuing debentures      |                |                     |             |               |                   |                  |         | (13.14)        |
| Total                           |                |                     |             |               |                   |                  |         | 3,500.84       |

Noted <sup>1</sup> Type of Debentures: Named Debentures, unsubordinated, guarantee and have debenture holder representative.

<sup>2</sup> Type of Debentures: Named Debentures, unsubordinated, some guarantee and have debenture holder representative.

### 1.5.3 Promissory Notes

The group of the Company has short-term loans which is promissory notes from financial institutions and third parties totaling Baht 199.77 million with interest rates of 3.75% to 10.00% per year as follows;

| Name of Issuer | Issued to              | No. of Promissory Notes (Issued) | Interest Rates (%) | Amount (Million Baht) | Guarantee             |
|----------------|------------------------|----------------------------------|--------------------|-----------------------|-----------------------|
| JCK            | Financial Institutions | 2                                | 5.25               | 40.00                 | Have guarantee *      |
| JCK            | Outsider               | 25                               | 6.50-10.00         | 129.95                | Have guarantee *      |
| JCKU           | Outsider               | 3                                | 7.00               | 14.84                 | Do not have guarantee |
| CROWN          | Outsider               | 3                                | 3.75-7.00          | 14.98                 | Do not have guarantee |

(\*) Totally guarantee promissory notes of Baht 72 million, guaranteed by investment in MFC Industrial Investment and Leasehold Property Fund (M-II).

## 1.6 Dividend Policy

The Company and its subsidiaries have a policy to pay dividends at the rate of not less than 60% of the net profit according to the separate financial statements and when the Company has enough profit and liquidity to operate the business except the Board of Directors and shareholders of the Company will have reasons and necessity to omit the payment or to pay a lower rate than the specified amount. In addition, the Board of Directors may, from time to time, consider paying interim dividends as it deems appropriate and will report to the shareholders' meeting in the next meeting.



## 2. Risk Management

### 2.1 Risk Management Policy and Plan

When doing business, the Company had to confront several risks and uncertainties which can materially affect its incomes, profits, assets, liquidity and share price. Since today's connection between financial and economic activities has been very sophisticated, the Company therefore had to adjust itself to face with economic dynamism that could affect the Company's business direction, strategy, decision and operation. As a result, to minimize business volatility, Thai Factory Development Public Company Limited has adopted a risk management process in writing covering product risk, income risk as well as risk from natural disasters, competitions, finance and lending both at the management and operational levels for use as a direction to achieve its goal.

Aside from these risks, there could be other risks that the Company is not aware of or cannot yet identify at the moment. Besides, certain risks that it believes having no material effect at the moment may become significant in the future. As a result, stakeholders should consider both the impacts and possibilities and other possible risk factors that the Company may confront aside from those stated here.

- 2.1.1 Employees at all levels shall be responsible for risk management. They must be aware of operation risk both in their functions and within the organization where risk management shall be carried out in a way that there is enough management and that risk is kept at an appropriate level.
- 2.1.2 Risk management shall be an important tool to manage the Company where the risk management system shall be part of a decision-making process, strategic planning as well as the Company's action plan and operation. The risk management system shall also be highlighted for the Company to achieve its objectives, goals, visions, mission and strategies. Personnel of all levels must understand and collaborate in the implementation of risk management for a good corporate image, to strengthen its corporate governance (CG) practice and operation excellence and to boost confidence of shareholders or stakeholders.
- 2.1.3 Financial and non-financial causes of risk that could affect the Company shall be identified and risk shall be reviewed whenever there is change of risk factors affecting the Company's investment funds.
- 2.1.4 Types of risk and acceptable levels of risk shall be identified for use as criteria to respond to the Company's risks.

2.1.5 Risk prevention and mitigation guidelines shall be adopted to avoid possible damage or loss. In addition, the Company shall regularly monitor and evaluate risk management results quantitatively and qualitatively for better accuracy.

2.1.6 The Company shall introduce a sophisticated information technology (IT) system to manage the Company's risks and it should enable personnel at all levels to extensively access risk management information. Besides, the Company should put in place a risk management report mechanism to allow the Board to efficiently manage the Company's risks.

In addition, the Company has determined roles and responsibilities and approval authority regarding risk management. It has already posted the risk management policy and procedures on its website for everyone's compliance. Besides, a risk management report has been prepared and submitted to the Board for refinement of the Company's risk management plan.

## **2.2 Risk Factors for the Company's Business Operations**

### **2.2.1 Risk from the increase in indebtedness and Debt-to-Equity Ratio**

As of December 31, 2021, the Company's debt-to-equity ratio was 3.24 times, increasing from the end of year 2020 which was at 3.01 times. However, when considered the interest-bearing liabilities in 2021 equal to Baht 6,110.44 million, increased from the amount in year 2020 which was Baht 5,836.50 million while the shareholders' equity has decreased from the loss from operation in 2021 thus made the Debt-to-Equity ratio increased when compared to the ratio in 2020.

However, the Company is very confident that it can maintain the Net Debt-to-Equity ratio as according to the ration specified in the covenant of the Debenture which was set at 3.0-4.5 times. This is because the net debt which is used in the calculation of the said ratio will cover only the interest-bearing liabilities only, not include the lease liabilities, which in 2020, the net Debt-to-Equity ratio was 2.92 times. In addition, the Company expected that in 2022, the Company will earn revenue from the sale of land in the industrial estate, revenue from sale of warehouse, revenue from rental and services and also the dividend received from the Project Artisan Ratchada while the Company has planned to start to repay the loan and the debentures which will affect that at the end of this year 2022, the Debt-to-Equity ratio will not higher than what has set in the Debenture's covenant.

Note: Net Debt means total debt according to the consolidated financial statements of the issuer of the debentures which have been audited by the auditor according to the figures stated in the issuer's annual consolidated financial statements. (As the case may be) which have interest payment obligations (But not include the liabilities incurred in normal business operation, trade advance received and / or any liabilities without interest bearing and / or loans from related persons and / or juristic persons) Less with the cash and / or Cash equivalents and / or short-term investments and / or investments in trading securities.

## 2.2.2 Risks of ability to pay principal and interest and the Company's liquidity

The Company is at risk incurred from the uneven business revenues, especially the revenue from the industrial estate as the nature of this business needs to ask for several applying steps for permission and also require lots of time in each step such as changing the land color, requesting for EIA permission and also requesting for the land allocation from the IEAT. In addition, with the slowdown in economy as a result of the outbreak of COVID-19, the trade war and the unstable of political situation, all these factors affected the investment of the customers both domestic and foreign. For the revenue from the condominium business in 2021 the Company earned the revenue from the unit sale of the 15 Sukhumvit Residents and the Artisan Ratchada which has started to transfer to the customers since the second quarter of 2020, thus make the ability of the Company to repay the principal and interest was quite volatile which can be noted from the Net Debt to Earnings before interest, tax, depreciation and amortization ratio (the net Debt to EBITDA ratio) as at the end of year 2019 , year 2020 and as of December 31, 2021 was 260.00, 29.30 and 16.95 times consecutively.

The Company operates the real estate business which main current assets are project development cost which as of December 31, 2021, the Company's project development cost was Baht 5,883.39 million, an increase from the end of year 2010 of Baht 25.25 million from the increase in project development cost of the TFD Industrial Estate 2. Thus, these current assets cannot liquidate to cash or cash equivalent fast so the quick ratio of the Company is equal to 0.15 time which affect the liquidity and ability to pay short term loan of the Company.

In addition, the Company has total liabilities of Baht 6,712.96 million, which current liabilities was Baht 2,863.15 million or 42.65 % of total liabilities and non-current liabilities of Baht 3,849.82 million or 57.32 % of total liabilities. For the current liabilities, the Company has short-term borrowing which will be due to pay in one year of Baht 2,287.00 million which comprised of bank overdrafts and short-term loans of Baht 404.87 million, current portion of long-term loans from the financial institutions which will be due to pay in one year of Baht 972.47 million, current portion of debentures which will be due to pay in one year of Baht 731.38 million, current portion of short-term loans from related party and interest payable of Baht 177.55 million and current portion of long-term loans from related party and interest payable which will be due to pay in one year of Baht 0.72 million. For non-current Liabilities, the Company has long-term liabilities, net of portion due within one-year, total amount of Baht 3,108.67 million which can be divide to debentures of Baht 2,769.46 million and long-term loans from the financial institutions of Baht 339.20 million.

As of December 31, 2021, the Company has cash cycle of 6,369.39 days, decrease from the year 2020 which was 8,245.47 days which assumes that the Company has cash cycle in very high level and thus it affected the ability to repay debt and also because the Company had high current liabilities which also affected the liquidity of the Company.

However, at present, the TFD Industrial Estate 2 of the Company has developed the main utility and finished by more than 75% and also started to recognize the revenue from selling the land since 2018, which the Company has a plan to complete the utility development within 2022 to enhance the confidence of the investors. The Company expected that in 2022 the Company will have revenue from the sale of land in TFD Industrial Estate 2 higher than in 2021 as currently the Company has the land which is in the process of ownership transferred of 21.64 rai which is estimated to be transferred completely in 2022. The money received will partially be used to repay the financial institutions and debenture.

In addition, the Company still expects that there will be cash inflow received from the project “The Artisan Ratchada” which has already completed the construction and has started to transfer to the customers since the second quarter of 2020. Presently, the project has a backlog of Baht 586 million, so from the above-mentioned factors, the Company is of the opinion that the Company’s financial status and its performance will be improved.

### **2.2.3 Risk in relation to the business operation of the Company and subsidiaries**

#### **2.2.3.1 Risk from the laws, rules and regulations governing the property sector**

Since the laws, rules and regulations governing the property sector are constantly amended, the group may be exposed to a risk resulted from such regulatory change, which includes amendment of the Land Development Act, rules and regulations on zoning, town and country planning laws and designation of additional green-zone rural and agricultural areas and decreasing of the designated purple industrial zones. Legal and regulatory changes as well as changes in approval procedures will affect the group’s operation or delay projects currently run by the group.

However, in November 2019, the Cabinet has approved the draft announcement of the Eastern Special Development Zone Policy committee which results the EEC city plan which covers 3 provinces, comprising of Rayong, Chon Buri and Chachoengsao, become effective immediately and also expand the borderline of the industrial estate development area surrounding the TFD Industrial Estate from approximately 2,000 rai to 5,000 rai. As a result, the land surrounding the TFD Industrial

estate that the company owns has changed from green zone (agricultural areas) to purple zone which is industrial area. Therefore, this plan will benefit JCK as the Company can use the land in this area to develop into industrial estates in the next phase instantly or may allot and sell some parts of the land (outside the industrial estates) which have potential to build the factories or warehouses for interested customers.

To manage this risk, the group is monitoring these regulatory changes on a regular basis to adjust its business direction to reflect such changes.

#### **2.2.3.2 Risk from disputes under the Mahadlek Residences Project**

The Mahadlek Residences Project which now the Company has received the approval of the Environmental Impact Assessment Report (EIA report) from the Office of Natural Resources and Environmental Policy and Planning (ONEP) on June 10, 2014 and also received the building construction permit on June 1, 2016. However, at present the Company has temporarily delayed the investment in this project due to Central Administrative Court has then ordered the temporary suspension of the construction and on September 14, 2017, the Central Administrative Court has judged the revoke of the project's EIA report. and on September 26, 2019, the Central Administrative Court has ordered the judgment to revoke the project building construction permit, with retroactive effect from the date of the issuance of the said permit. The Company has re-appealed the said judgment which currently both cases are under the consideration process by the Supreme Administrative Court

As of December 31, 2021, the Company has invested in this project in total amount of 274.84 million Baht. However, if the case comes to the end which the Supreme Administrative Court ruled that the company will be unable to proceed with the original construction, the company can change the design the project to comply with the provisions of the law, though it may reduce size of the project to become smaller or the Company may consider to sell the project to other investors. In addition, in such case that the Company loses the suit and received the verdict or ruling to revoke the permit, the Company can sue the state sector who granted the permission for the compensation of all Company's damage including the claim of business opportunity loss of the Company.

However, the Company's management has used its discretion in the evaluation of the result of this case and the damage from the said construction suspension and is confident that there will be no

damage to the value of the company's project because the company has applied for approval in accordance with the procedures and regulations of each related department and have received the EIA permit and the construction permit correctly. Therefore, the Company has not recorded an allowance for diminution in project value or provision for liabilities from the legal case at the end of the reporting period. The value of the said project has been evaluated by Thai Appraisal Company Linn Phillips Company Limited on 15 February 2018 with an appraised value of 414 million Baht, which the appraised value is higher than the current investment of the Company.

#### **2.2.3.3 Risks from additional land acquisition for the development of the TFD Industrial Estate 2 (the expanding phase)**

As of December 31, 2020, the company has expanded its investment by buying more vacant land in the surrounding area of TFD Industrial Estate Phase 1, in approximately 1,980 rai in order to develop into a new industrial estate under the name "TFD Industrial Estate 2" which the company plans to expand the area about 2,500 rai. In December 2015, some areas of land in this location were approved to change to be industrial land (purple zone). Later on 10 November 2016, the Company and the IEAT have jointly signed a joint operating agreement and IEAT has approved the Company to establish the TFD Industrial Estate 2 Project.

The area for development of the TFD Industrial Estate 2 Project in Phase 1 is 833.26 rai, with the EIA approval on 26 July 2017. The company has received the land allocation plan on 2 March 2018 and the title deed has been completed prepared. The company is currently accelerating the land development, adjust the landscape and the construction of various utility systems. For the remaining areas are currently in the process of requesting approval from government agencies and other related agencies.

However, the Company may face the risk of not able to buy additional land to develop TFD Industrial Estate 2, either in the quantity or in the desired location, including the risk from increase in the land prices. As a result, these factors may cause the Company being unable to have land at the predetermined size and location as required by the TFD Industrial Estate 2 Development Plan or may result in a higher cost of project development which will affect the financial position and operating results of the Group Companies.

However, according to the Cabinet's approval of the draft announcement of the Eastern Special Development Zone Policy committee in November 2019, which resulting in EEC city plan covering 3 provinces which are Rayong, Chon Buri and Chachoengsao becomes immediately effective. In addition, the Committee also announced the expansion of the industrial development area surrounding the TFD Industrial Estate from 2,000 rai to 5,000 rai. Thus, this change has affected to the land surrounding the TFD Industrial Estate to change from the green color zone (agricultural zone) to purple zone (Industrial zone) which has great advantage to JCK to be able to immediately use the land in these areas to develop as an industrial estate in the next phase including to partial sell some part of land (outside the industrial estate) which has potential to build the factories or warehouses to interested customers. In 2021, the Company has already collected 1,216.56 rai of land in the vicinity of TFD Industrial Estate 2, which is 1,006.18 rai of land already transferred and 210.38 rai of land awaiting transfer.

In addition, the Company also has guidelines for managing such risk by enter into agreements with land procurement agents, so they will act as a broker in the negotiations and bargaining the prices in accordance with the conditions set by the Company and to assist the company to complete the process of land buying. The company's land procurement broker comprises of people both outside the Chachoengsao area and in Chachoengsao Province which resulting in the procurement operation being more streamlined.

#### **2.2.3.4 Risk from shortage of contractors**

Construction contractors are extremely necessary for the real estate development business. The Company and its subsidiaries therefore are exposed to a possible risk from the shortage of construction contractors, which may send a ripple to the group's construction work and project development as it could delay the projects from their plans and will affect the group's financial status and operation results.

However, the Company and subsidiaries plan to manage this risk by seeking contractors through a bidding process. After reviewing selected contractors, the Company and subsidiaries will monitor their operations and assess them through the quality of their work. Contractors who are assessed by the Company and subsidiaries will have their names listed in our Approved Supplier List for consideration to build the group's future projects.

**2.2.3.5 Risks from the economy, political issues and other macro factors**

The business of the Company and its subsidiaries may have impact from the economic fluctuations, political issues and also other macro factors such as the outbreak of the virus Corona 19 which led to the lockdown of the country and several significant places which had impact on the Company's business both direct and indirect, especially the industrial estate, Factory/ warehouse and the office building for rent as a group of main customers are entrepreneurs from abroad, which may consider to reduce the size of investment or move the investment out of the country and thus will have impact on the demand of the abovementioned business. Therefore, these risks may also impact to the financial status and performance of the group Company.

Therefore, the group of the Company manages this risk by diversifying its portfolio into other businesses including real estate development for industrial, residential and office for rent purposes. Besides, the group of the Company offers options for entrepreneurs to decide either to buy or rent land, factory and warehouse to minimize their investment risk. This not only responds to the needs of our customers but also reduces the volatility of fluctuating demands faced by our group as a result of economic, political and other macroeconomic variables.

**2.2.3.6 Risk from renewal of lease agreements**

The Company's business to construct standard factory or warehouse for clients to rent in several industrial estates or industrial zones is exposed to a risk of finding new customers or the fact that existing customers may not renew their lease agreements in the case of existing customers who have signed an average three-year rental term, which could affect future incomes of the group. However, based on past performances, rent of the Company's standard factories and warehouses remained stable or sometimes the Company could not even build enough factories and warehouses to meet demands of customers. Besides, most customers renewed the lease agreement, which means the period during which warehouses and factories remained vacant was very few. The risk therefore is quite low and the firm remains quite competitive.

The office for rent business's risk is when tenants decide not to renew their lease agreements, most of which last for three years. Therefore, if a lot of tenants refuse to renew the agreements and we could not find new tenants to replace them, it will directly affect our cash flows and operation results. Yet, based on previous performances, the occupation rate of the office building was as high as



76% and more. Most customers renewed their contracts since our office buildings were located in a strategic prime area. Besides, rental rates of both buildings remained competitive compared to others. This risk to have any effect to us therefore is quite low.

#### **2.2.3.7 Risk from renewing lease rights and sub-lease rights in the office building business**

SG has invested in the rights to lease land together with SG Tower 1 office building by signing a contract with Office of the Privy Purse (Currently, Vajiravudh College is the operator who manages the assets instead). It has also invested in the rights to sub-lease the land together with the Millennium Office Building (SG Tower 2) by signing an agreement with GF Holding Co Ltd to operate the office for rent business. The contract term between SG and Office of the Privy Purse is 30 years and will be due in October 2023 or 2 years from now. The term of the sub-lease agreement between SG and GF Holding Co Ltd is 30 years and will be due in November 2025 or around 4 years from now. SG therefore has a risk of not able to renew the lease and the sub-lease agreements with Office of the Privy Purse and GF Holding Co Ltd, respectively, which could materially affect financial status and operation results of the Company and its subsidiaries.

In 2019, SG had the rental and service income of Baht 184.99 million and net profit of Baht 52.33 million or 28.29% of total revenue. In 2020, SG had the rental and service income of Baht 174.95 million and net profit of Baht 46.11 million or 26.36% of total revenue. In 2021, SG had the rental and service income of Baht 157.60 million and net profit of Baht 23.96 million or 15.20%.

#### **2.2.3.8 Risk from requirements to pay compensations based on agreements made between the Company and subsidiaries with the M-II Property Fund**

In December 2012 and August 2013, the Company and JCKU sold lands and factories for rent in the Company Industrial Estate, Navanakorn Industrial Promotion Zone and Laem Chabang Industrial Estate to the M-II Property Fund. In addition, JCKU transferred the rights to lease lands in the Laem Chabang Industrial Estate to the M-II Property Fund and agreed to sell lands and rented constructions located in the Kingkaew Project. In the agreements, the Company and JCKU are obliged to pay compensations or to absorb additional expenses incurred in the future as follows.

(A) A term in relation to JCKU (if the King Kaew land is expropriated) provides that the Company and JCKU have jointly agreed to compensate the M-II Property Fund where the amount will be calculated from an area in square meters multiplied by the land plot being rented out which is

however affected by land expropriation if the land in the King Kaew Project is entirely or partially expropriated. In addition, the Company and JCKU have agreed to replace, renovate or repair the property so that it's in the original condition prior to the land expropriation and ready for use if such expropriation prevents the M-II Property Fund or small tenants from using the land; or if any part of the property has to be replaced, renovated or repaired.

(B) A term in relation to JCKU (if the lease agreement cannot be renewed with the Huabchem Group) due for the first period in February 2036 and where the second stage sub-lease agreement was already renewed by another 30 years to end in February 2066 provides that the Company and JCKU have agreed to compensate Baht 40 million to the M-II Property Fund if the fund cannot renew the lease agreement with the Huabchem Group (who is the landlord in an agreement to lease and develop land signed with JCKU) and register such lease for 30 years.

As a result, the Company and JCKU could be exposed to the risks of having to pay compensations based on the agreements made above with the M-II Property Fund, which could mean additional expenses that the Company and JCKU are to be liable to in the future.

#### **2.2.3.9 Risk from joint operation agreement**

On 27 October 2021, the Company's Board of Directors Meeting No. 7/2021 has a resolution to approve the investment plan in real estate business in the northern region and the signing of a joint operation agreement. On 28 October 2021, the Company entered into a 51% joint-operation agreement with 3 limited companies that own rights in the land used for joint operations. The Company has to pay compensation under the joint-operation agreement of Baht 336 million. As of December 31, 2021, the Company has already paid in the amount of Baht 203 million, the remaining amount is Baht 133 million.

Form of investment under joint operating agreement make the Company does not directly own the ownership of the assets but the Company has managed risk by having the counterparty to pledge the target company's shares as collateral and giving the Company the right to accept the transfer of collateral shares to the Company in the event that the counterparty breaches the terms of the contract. In addition, a representative can be sent to be a director who has the power to sign to supervise the management.

## 2.2.4 Financial risk

### 2.2.4.1 Risk from interest rates and regulations of Bank of Thailand in relation to the property sector

#### Risk from interest rate changes

- *Impact to client's decision to buy residential unit*

Most customers in the residential condominium business will usually seek home loans from financial institutions. As a result, interest rates and loan payment conditions are major factors affecting their decisions. If the loan interest is higher, it will affect the customer's financial costs and may delay their decisions to buy.

The Company plans to manage this risk by learning customer's behaviors and desires and by providing purchasing terms and conditions and down payment methods that will respond to customer's need while relieving their financial burden as much as possible when buying a condominium unit.

- *Impact to the group's financial costs*

The group seeks loans from financial institutions to develop current and planned real estate projects. The interest rate change will also affect the group's financial costs.

#### Risk from the Bank of Thailand's regulatory changes in relation to the property sector

At present, the Bank of Thailand closely monitors credit approval by commercial banks. The central bank focuses more at the quality of approved credits, which makes commercial banks being more restricted when approving their loans. In addition, criteria for credit approval were adjusted and loan amounts for each collateral were reduced when extending to non-major clients in general. This means clients who seek home loans from financial institutions have to have more down payments in hands, which may affect their purchasing power and their decision to buy. Alternatively, the fact that commercial banks are stricter for credit approval will help screen customers who have real purchasing power for us at a certain level.

### 2.2.4.2 Liquidity risk and risk to access funding sources

The property development business is in need of capital for buying land and developing it and for construction and sales activities. While huge investment is required upfront, the company will get most payments of its sales value on the title deed transfer date only, which will take place after

construction is completed. The group has a period of project management from 2-5 years depending on the project's nature and size. As a result, the business is exposed to a risk of liquidity management and access to funding resources for use in the business.

Yet, the Company plans to manage this risk by careful review of a project that it will develop. This starts from choosing a right location, conducting the project's feasibility study and hiring project consultant to ensure every project's success. In addition, the Company and subsidiaries are raising funds from diverse channels ranging from the equity market to financial institutions to reduce too much dependency from a particular funding source.

### 3. Business Sustainability

#### 3.1 Sustainability management policies and goals

The Company has a clear policy to conduct its business with integrity and with high business ethics under the provisions of the law. The Company has realized the importance of good business management and has studied the principles of good corporate governance, social responsibility and environment, taking into account the interests of all stakeholders with the ultimate goal of corporate sustainability with the goal to create the sustainable development. Therefore, guidelines are set as follows:

- 3.1.1 The use of natural resources, the Company will take into account the choices that has less impact to the damage of society, environment and the quality of life of the people.
- 3.1.2 Return the portion of the Company's profits to activities that will consistently contribute to society and the environment
- 3.1.3 Cultivate the awareness of social and environmental responsibility among employees at all levels continuously and seriously
- 3.1.4 Prioritize transactions with business partners who share the same intentions as the Company in regards to environment
- 3.1.5 Implement and cooperate or supervise to strictly comply with the spirit of laws and regulations issued by the related regulators
- 3.1.6 The Company regards the Company as its duty and main policy to give importance to the activities of the community and society by focusing on the development of society, community, environment, and emphasize on the creation and conservation of the good natural resources including supporting education for youth, supporting public benefit activities for disadvantaged communities under the sufficiency economy by enhancing skills and developing careers for the general community.

#### 3.2 Managing impact on stakeholders in the business value chain

##### 3.2.1 Business value chain

The Company operates under the framework of the importance of all stakeholders in every work process from the beginning to the end such as the water resource management process within the industrial estate starting from the provision of water resources, transportation of water resources, water quality as well as wastewater management etc.

## 3.2.2 Stakeholder analysis in the business value chain

| Stakeholders      | Procedures   | Expectation   | Corporate response   |
|-------------------|--|---|--|
| employees         | <ol style="list-style-type: none"> <li>1. Annual performance appraisal</li> <li>2. Communication within the organization</li> <li>3. Training and seminars</li> </ol>  | <ol style="list-style-type: none"> <li>1. Good compensation and welfare</li> <li>2. Fair performance appraisal</li> <li>3. Stability and progress in career</li> <li>4. Treating employees according to the principles human rights</li> <li>5. Personnel development</li> <li>6. Use of technology in work</li> <li>7. Safety at work</li> </ol> | <ol style="list-style-type: none"> <li>1. Fair consideration of compensation and welfare</li> <li>2. Determine the progress in occupation</li> <li>3. Treat all employees equally</li> <li>4. Create an environment for safe working place</li> <li>5. Determine the development plan personnel</li> </ol>                 |
| Customers         | <ol style="list-style-type: none"> <li>1. Meeting with the customers</li> <li>2. Communication through e-mail or telephone call</li> <li>3. Publication of information on the website</li> <li>4. Satisfaction survey</li> </ol> | <ol style="list-style-type: none"> <li>1. Quality of products and services</li> <li>2. Personal Data Protection</li> <li>3. Perform in line with compliance</li> </ol>  | <ol style="list-style-type: none"> <li>1. Improve the service to meet the need of customer's requirement with speed and effective</li> <li>2. Maintain the business secrets and customer information</li> <li>3. Responsible for customers and conducting business in accordance with the rules and regulations</li> </ol> |
| Business Partners | <ol style="list-style-type: none"> <li>1. Meeting with the partners</li> <li>2. Communication through e-mail and telephone call</li> </ol>   | <ol style="list-style-type: none"> <li>1. Fair and transparent procurement which can be verifiable</li> </ol>   | <ol style="list-style-type: none"> <li>1. Contact business in accordance with the rules and regulations and business ethics</li> <li>2. Update the policy and guidelines for procurement</li> </ol>  |

| Stakeholders                 | Procedures   | Expectation   | Corporate response  |
|------------------------------|--|---|---|
| Business Alliances           | <ol style="list-style-type: none"> <li>1. Meeting together</li> <li>2. Communication through e-mail and telephone call</li> <li>3. Board of Directors' meeting in the affiliate company</li> <li>4. Publication of information on the website</li> </ol>                 | <ol style="list-style-type: none"> <li>1. Protecting confidential information business</li> <li>2. Fair and transparent business engagement</li> <li>3. Perform in accordance to comply with the terms of various contracts</li> <li>4. Efficiency Risk Management</li> </ol> | <ol style="list-style-type: none"> <li>1. Maintain confidential information of the alliances</li> <li>2. Follow the business Code of Conduct</li> <li>3. Fair and transparent joint venture investment agreement</li> <li>4. Strictly comply with the conditions in the contract</li> <li>5. Disclose correct and complete financial information</li> </ol> |
| Government / private sectors | <ol style="list-style-type: none"> <li>1. Meeting together in various agendas</li> <li>2. Communication through e-mail and telephone call</li> <li>3. Publication of information on the website, disclosure or reports as requirements</li> </ol>                        | <ol style="list-style-type: none"> <li>1. Compliance with law and regulations</li> <li>2. Good corporate governance</li> <li>3. Management of the impacts on social and environment from the Company's business operations,</li> </ol>  | <ol style="list-style-type: none"> <li>1. Strictly comply with the related laws and regulations</li> <li>2. Conduct business with good governance.</li> </ol>   |
| Shareholders                 | <ol style="list-style-type: none"> <li>1. Arrange the annual General meeting of shareholders</li> <li>2. Communication through e-mail and telephone call</li> <li>3. Publication of information on the website</li> <li>4. Preparation of the 56-1 One Report</li> </ol> | <ol style="list-style-type: none"> <li>1. Efficient good corporate governance</li> <li>2. Good and secure performance</li> <li>3. Effective Risk Management Control</li> </ol>  | <ol style="list-style-type: none"> <li>1. Conduct the business transparent according to the principles of good corporate governance</li> <li>2. Perform in comply with the rules and regulations</li> <li>3. Disclose of all information transparent</li> </ol>   |
| Community                    | <ol style="list-style-type: none"> <li>1. Organizing activities with the community</li> <li>2. Disclose of information on</li> </ol>   | <ol style="list-style-type: none"> <li>1. Promoting and building a career in the community around the organization</li> </ol>   | <ol style="list-style-type: none"> <li>1. Promote the employment of local workers community</li> </ol>  |

| Stakeholders | Procedures  | Expectation   | Corporate response  |
|--------------|---|---|---|
|              | the website<br>3. Arrange the channels for receiving complaints | 2. Management of the impacts on society and environment from the operation of Company | 2. Promote community development in various aspects<br>3. Manage the negative impacts on social and environmental surrounded by business operations |

### 3.3 Sustainability Management in Environmental Dimensions

With the vision of being a company that is socially and environmentally responsible, the Company has set up a working group to develop a good environmental management system in all sectors by defining a concrete social responsibility strategy that cover various project management for maximum efficiency in terms of improving operational processes, procedures and methods to taking care of environment as well as supporting environmental impact studies prior to the commencement of the Company's projects, requiring the operating department to report the results at least once a year to review the business operations in the aspects of social responsibility, assessing risks and opportunities which may have impact to the sustainable growth, determining the guidelines and plans for strategic response to social responsibility issues. The Company and its subsidiaries responsible for operating in accordance with the policies and guidelines which set forth in the framework of environmental responsibility as well as enhancing the understanding of knowledge in the context of responsibility by monitoring and reporting results for sustainable development. Therefore, the Company has established guidelines as follows:

#### 3.3.1 Business operations

JCK International Public Company Limited operates real estate development business which can be classified by the nature of the 4 main types of income as follows:

- Industrial Estate
- For sale and for rent: the prefabricated factory land, warehouse and management
- Office space rental business and property management services in the category of real estate
- Construction design and supervision



By managing under the care of environment. As the Company foresees that every organization should participate in helping and caring for the environment along with the business growth goals by developing mutual benefits between businesses to promote and lead to sustainability.

### **3.4 Sustainability Management in Social Dimensions**

The Company has established the policies for comprehensive social management such as human rights policy, security policy, anti-corruption policy etc. with important policy details as follows:

#### **3.4.1 Policy on human rights and human resource management**

##### **1). Human rights**

The Company respects the rights of its employees and all other stakeholders and will not discriminate against any person with regard to concepts and views, race, color, religion, gender, sexual preference, nationality, age, disability or any other status as regarded as human rights. The Company will apply a reasonable and comprehensive approach to respecting human rights to all its operations and focus on eliminating injustice, discrimination, all kinds of intimidation and violations of rights. The Company will not employ illegal child labor, forced labor or slave labor or labor that are forced to work overtime. The Company will not employ illegal persons under the age of 16 and young persons will not be employed at all except in cases where those employment is in accordance with the laws and regulations related to age, working hours, compensation, health and safety.

##### **2). Human resources management**

The Company regards its employees as the main force that will bring success, progress, stable and sustainable growth of the Company with the emphasis on teamwork and the dedication of employees. The Company aims to enhance the capability of employees to excel in their work assignments by developing personnel in academic management and work culture. Sufficient supply of modern operational tools, compensation and benefits are comparable to similar businesses. It will also create a good working environment and environment safety. Employees must perform their duties responsibly, honesty, determination, dedication and comply with the regulations by treat the Company's interests as the priority. For the management must be responsible for the management of human resources for efficiency, effectiveness and maximum benefits with the guidelines for human resource management as follows:

- Guidelines on recruiting Human Resources
- Guidelines on employees progress in career path
- Guidelines on employee compensation
- Guidelines on employee development

- Guidelines on performance appraisals
- Guidelines on Discipline and Complaints
- Guidelines on termination of employment

#### 3.4.2 Policy regarding the use of information technology and the use of telecommunication media

The Company defines information technology as an important factor in promoting the Company's business operations. The use of information and telecommunication services is the shared responsibility of all employees to use them appropriately in accordance with the Company's business policies and for social responsibility. Working systems and Computer equipment are only used to support the Company's business operations, not to be used for personal business or illegal activities, the Company reserves the rights to suspend rights or to inspect the computer system or other equipment which is the property of the Company if the Company found it suspicious of any actions that may cause damage to the Company or others person so that the use of all the Company's systems is correct and does not infringe on the rights of others. In order to control the use of all the company's systems to be correct and does not infringe on the rights of others, every unit must use the work system and computer software that has been properly supplied according to the Company's standards only. There are practical guidelines for the use of information technology as follows:

- Using of internet service
- Using Electronic Mail (e-mail)
- Access to information
- Use of telecommunication equipment services
- Privacy rights

#### 3.4.3 Policy on Non-infringement of Intellectual Property.

The Company does not support any actions that are infringing on intellectual property or copyrights. It represents the Company's intention to conduct business with fairness. The guidelines are as follows:

- The work resulting from the performance of duties is the intellectual property of the Company.
- The work or information that is the right of third parties to be obtained or used within the Company must be check to make sure that there is no infringe on the intellectual property or copyright of others.
- Perform the inspections from the process of procuring computer systems to installation for use and create a database of software or various computer programs

which is currently in use by the organization to ensure that its operations are in accordance with the Computer-Related Crime Act of 2017.

#### 3.4.4 Policy on Quality, Safety and Occupational Health

The Company operates a real estate development business in the industrial and residential sectors with an emphasis on quality, safety and occupational health. It is determined to take every effort to reduce and prevent impacts on quality, safety and occupational health that will occur and any operation of the Company to the stakeholders. All of which will lead to customer satisfaction, safety in life and property of employees and the public as well as creating a good environment for society to achieve that intention. The guidelines are as follows:

- All executives and employees must operate with a quality management system, safety, occupational health and environment as part of the work to help in enhancing efficiency, productivity and creating maximum value for work
- All executives and employees will adhere to the work in accordance with the law, policies, regulations and strictly related quality, safety, occupational health and environment standards.
- The Company will control and prevent losses that may occur in various forms due to accidents, fires, injuries or illnesses from work, property lost or damaged , breach of security system, inappropriate work practices and errors that occur as well as maintain a safe working environment for employees. It is the responsibility of management and employees to report all the accidents and incidents by following the established procedures
- The Company will provide public relations and communication to create knowledge, understand and dissemination of information to employees, employees of contractors and relevant stakeholders so that they know and understand the policies, rules, procedures and various precautions in term off quality, safety, occupational health and environment as well as implementing them properly without causing harm to health and property
- The Company will promote and instill awareness of quality, safety, occupational health as a way of daily life of the employees
- The Company will participate in social responsibility in terms of quality, safety, occupational health seriously and continuously, by realizing the importance of the environment and safety of relevant stakeholders as well as promoting social activities and develop the quality of life of people in the community according to the principles of sustainable development.

Currently, the pandemic of the Coronavirus 2019 is still increasing. The Company is aware of the impact that occurs in human resource management, thus the Company has measures to take care of employees to be safe and healthy and are ready to work at all times. The Company therefore has the following guidelines

- The Company has a Business Continuity Management (BCM) plan covering crisis management in the epidemic situation by emphasizing on safety and health of the employees
- Require work from home (WFH) to be performed where appropriate at the discretion of the supervisor
- Encourage employees to use the meeting by Teleconference or VDO Conference
- Distributing alcohol and masks to employees including setting up the alcohol drop-off points at various points in the office.
- Determine the measures to enter and exit the building for employees and visitors to increase safety and prevent the spread of the virus
- Increase measures to maintain cleanliness in various touch areas

#### 3.4.5 Anti-Corruption Policy

The Company will not act or support any fraudulent or corruption in any case and will strictly comply with anti-corruption measures and provide internal audits to prevent and suppress the fraudulent and corruption within the organization by covering every business and every department involved as well as reviewing the practice guidelines and operational requirements to comply with changes in business, rules, regulations and legal requirements. The guidelines are as follows:

1. Political neutrality and political contributions
  - The Company is a politically neutral business organization, supporting legal compliance and democratic governance. The Company does not have guidelines to make political contributions to any political party whether directly or indirectly.
  - Everyone within the organization has the right and freedom of political law but will not take any action that will cause the Company to lose its neutrality or be damaged by political involvement
  - Everyone in the organization will not carry out political activities within the Company, including the use of any resources of the Company to do so.
2. Charity donation or financial support

The Company supports the community and social development for the improvement of quality of life, build the economy and strengthen communities and society through business procedures or charitable donations that must be used only for public charities

including financial support for the company's business. All these activities cannot be an excuse for corruption, it should be with clear documentary evidence and in accordance with Company's regulation.

3. Gifts, meals, travel hospitality and entertainment

In practice, it is understood that providing reasonable and appropriate gift giving, meal feeding, hospitality and entertainment to customers, suppliers and business alliances is beneficial to our commercial credibility and help strengthen business relationship. Some business cultures tend to expect small gifts. However, the Company prohibits the giving of such things or services that are excessive or inappropriate. Taking care of business hospitality, tour guides, gift giving, entertainment and catering must be appropriate for the occasion and in accordance with the Company policies, laws and regulations.

In addition, various expenses that happened and activities performed as part of the hospitality, tourism, gifts, entertainment and meals must be transparent. This means that the accounting evidence of expenses and activities must clearly identify the person involved, clearly stating the business purpose, describe the activity and indicate the amount of money spent.

This Sustainable Development Report of JCK International Public Company Limited is prepared annually. Its content covers economic policies and practices, Company's society and environment. It is reported during the period between January 1 to December 31 of each year in the annual registration statement (Form 56-1 One Report) which is prepared with the objective of acknowledging stakeholders' commitment to corporate social responsibility guidelines and operating results consistent with the Company's framework. The determination of the essence of the content of the report, the Company started from the study, survey and analysis for business development including the image of the Company to public. Then prioritize the "customer" as the first priority as it is directly and indirectly affected by the Company's business operations and the "Company employee" is a key stakeholder next in line. As the Company foresees that employees are the main driving force that will make the Company able to operate its business by delivering the quality products and services with social responsibility. It also affects other groups of stakeholders such as shareholders, trading partners, people and communities as well.

Pictures of activities that are beneficial to the social and community



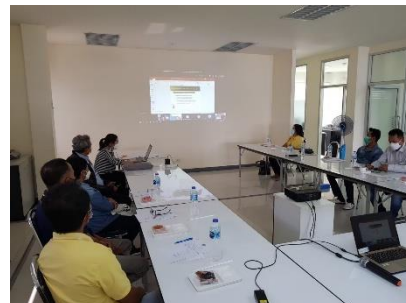
Budget support for the victims of COVID-19



JCK Blood Donation Project



The Company together with the community and related agencies engage in the meeting of the Environment Committee via VDO conference



The Company joins with the entrepreneurs and communities to practice emergency plans Level 1





#### 4. Management Discussion and Analysis

##### 4.1 Analysis of operations and financial position

##### 4.1.1 Overview of the business operations and significant changes

The Company and its subsidiaries have operated the business of real estate development, which can be classified into 6 sectors as follows:

- Industrial estate development
- Selling and renting out land with standard ready-built factory and/or warehouse
- Selling residential Condominium
- Renting out office building
- Asset management services
- Managing Real Estate Investment Trust (REIT) and leasehold rights

##### 4.1.2 Analysis of operating results and financial position

##### 4.1.2.1 Revenue

##### 1) Total revenue

Total revenues of the Company comprise of revenues from sales, rental incomes and services fees, gains from sale of investment property and other incomes.

| Total revenue                          | Audited Financial Statements as of December 31, |                |               |                |               |                |
|--|---|----------------|---------------|----------------|---------------|----------------|
|  | 2019  |                | 2020          |                | 2021          |                |
|  | MB  | %              | MB            | %              | MB            | %              |
| Revenues from Sales                    | 131.50  | 30.84%         | 131.39        | 31.64%         | 259.31        | 45.28%         |
| Rental Incomes and Services Fees       | 257.98  | 60.50%         | 256.00        | 61.64%         | 248.73        | 43.44%         |
| Gains from sale of investment property | 8.40  | 1.97%          | -             | 0.00%          | 7.78          | 1.36%          |
| Dividend Incomes                       | 9.67  | 2.27%          | 10.30         | 2.48%          | 10.62         | 1.85%          |
| Interest Incomes                       | 7.31  | 1.71%          | 5.55          | 1.34%          | 3.52          | 0.61%          |
| Other incomes                          | 11.56   | 2.71%          | 12.09         | 2.91%          | 42.67         | 7.45%          |
| <b>Total Revenues</b>                  | <b>426.41</b>                                   | <b>100.00%</b> | <b>415.33</b> | <b>100.00%</b> | <b>572.63</b> | <b>100.00%</b> |

The total revenue of the Company during the year 2019 - 2021 is equal to Baht 426.41 million, Baht 415.33 million and Baht 572.63 million, respectively. In 2020, the Company's total revenue is Baht 415.33 million, decrease from the year 2019 by Baht 11.08 million or 2.60%, mainly due to the economic slowdown and the impact of the Covid-19 crisis. As a result, customers postpone the transfer of ownership of the Artisan Ratchada project, including the postponement of the transfer



of ownership in the purchase of land of TFD Industrial Estate 2 due to the policy of traveling to Thailand which must be quarantined for 14 days, causing investors to delay the contract out.

For year 2021, the Company had total revenue equal to Baht 572.63 million, increase of Baht 157.30 million or 37.87% when compared to the previous year. The main reason is the increase in revenue from sale of vacant land from year 2020. In 2021, the Company sold approximately 30 rai of vacant land, while in 2020, the Company sold approximately 3 rai of land.

However, the Company expects that in 2022, its revenue is likely to continue to rise from 2021, given positive factors from the opening of the country and the relief of investors' concerns over the COVID-19 epidemic. There are also both Thai and foreign customers who are in the process of negotiating the purchase of the Company's industrial estate land. At present, the Company has sales waiting to be transferred approximately 33.10 rai, with a total value of approximately Baht 286.44 million, and the remaining land for sale is 530.37 rai and the Artisan Ratchada project that has started transferring ownership to customers since the second quarter of 2020. Currently, the project has Backlog is approximately Baht 760 million, enabling the Company to recognize revenue through profits from investments in joint ventures continuously.

## 2) Revenue from sales

| Unit : Million Baht                             | Year 2019    | Year 2020     | Year 2021     |
|---|--------------|---------------|---------------|
| Revenue from sales of Land and factory building | 118.00       | 87.50         | 213.84        |
| Revenue from sales of Condominium units         | 13.50        | 43.89         | 45.47         |
| Profit from the sale of investment properties   | 8.40         | -             | 7.78          |
| <b>Total</b>                                    | <b>139.9</b> | <b>131.39</b> | <b>267.09</b> |

### - Revenue from the sale of land and factory building

In 2020, the Company had revenue from the sale of land and factory buildings amounting to Baht 87.50 million, decrease of Baht 30.50 million when compared to the same period of 2019 or 25.85%. Therefore, in 2020, the Company had revenue from the sale of land in TFD Industrial Estate 2, 3 rai, total value Baht 25.50 million, and revenue from sales of warehouse buildings, Green Park 2 project, total value Baht 62 million.

In 2021, the Company had revenue from sale of land and factory of Baht 213.84 million, increase from the same period in year 2020 of Baht 87.50 million or 144.39% because in 2021, the Company had the sale of land in TFD Industrial Estate 2 30 rai at the value of Baht 213.84 million.

- **Revenue from sale of condominium unit**

The Company has developed and operated residential condominium projects for sale both in the center of the city and in some recreation location. Currently, the Company has 4 projects in hand which are; 1) The 15 Sukhumvit Residences Project 2) The Mahadlek Residence Project 3) The Colonial Khao Tao Hua Hin and 4) the “Artisan Ratchada” Project.

During the year 2019 - 2021, the Company’s revenue from the sale of condominium units was Baht 13.50 million, Baht 43.89 million and Baht 45.47 million consecutively, which was the sale from the transfer of ownership of units sold in the 15 Sukhumvit Residences Project and the Harbour View Residences ( which in the last quarter of 2018, the Company has sold out the entire project).

For the year 2020, the Company had income from the sale of residential condominiums in the amount of Baht 43.89 million from the transfer of ownership of the Penthouse room of the 15 Sukhumvit Residences Project. As of December 31, 2020, the Company still have the remaining units unsold of 10 units which had value of about Baht 523.08 million.

For the year 2021, the Company has income from the sale of condominiums in the amount of Baht 45.47 million from the transfer of ownership of Penthouse room of the 15 Sukhumvit Residences project. As of December 31, 2021, the Company has 8 condominium units remaining for sale, with a remaining value of approximately Baht 490.71 million.

As for the progress of other condominium projects, namely The Artisan Ratchada Project, the construction is now completed and ownership transfer has been started in the second quarter of 2020. Currently, the project has a backlog of approximately Baht 760 million, enabling the company to recognize revenue through profit from investment in joint ventures continuously.

For the project the Colonial Khao Tao Hua Hin and the Mahadlek Residence Project, at present, the Company has temporarily suspended both projects.

### **3) Rental Incomes and Services Fees**

Both rental income and services fees are revenue from the land and factory buildings or warehouses for rent which the Company has bought the land or rented on the long-term period to develop and build the factory or warehouse buildings including the construction of utility systems for the purpose to rent out the land with ready-built factories or warehouses under the management by

JCKU. For the office building for rent segment which will handle the long-term rental of land in order to develop and construct the office building for the office space rental is under the management by SG.

| Rental Incomes and Services Fees             | Year 2019     | Year 2020     | Year 2021     |
|--|---------------|---------------|---------------|
| Rental revenue from factories and warehouses | 72.99         | 81.05         | 91.14         |
| Rental revenue from office building          | 184.99        | 174.95        | 157.60        |
| <b>Total</b>                                 | <b>257.98</b> | <b>256.00</b> | <b>248.74</b> |

During the year 2019 – 2021, the Company had the revenues from rental and services of Baht 257.98 million, Baht 256.00 million and Baht 248.74 million consecutively. In the year 2020, the revenue from the rental income and services fees increased by Baht 8.06 million or 11.04% growth from the same period of previous year, because in year 2020, there are 4 new tenants. As of December 31, 2020, the Company has a total rental area of 95,391 square meters, with 36,145 square meters of tenants, representing a rental rate of 37.89%. The revenue from the office building for rent business decreased by Baht 10.04 million, mainly due to the waiver and the partial rental reduction policy to help operators affected by the Covid-19 epidemic situation.

For the year 2021, the company had an increase in revenue from rental and service from factory and warehouse businesses by Baht 10.09 million or 12.45% compared to the same period of the previous year. This was due to in year 2021, there are 2 new tenants, as of December 31, 2021, the Company has a total rental area of 94,391 square meters, which the area of 39,145 square meters has tenants, representing the rental rate of 41.47% of total area. For the revenue from office building rental business had decreased by Baht 17.35 million, mainly due to a waiver and partial rental price reduction policy to help operators who have affected by the COVID-19 epidemic.

#### 4) Other Incomes

Other incomes are all other incomes from the non-core business of the Company which includes dividend, interest income, management fee and other miscellaneous income.

| Other income (Unit : Million Baht)      | Year 2019    | Year 2020    | Year 2021    |
|---|--------------|--------------|--------------|
| Dividend Income                         | 9.67         | 10.30        | 10.62        |
| Interest Income                         | 7.31         | 5.55         | 3.52         |
| Profit from sale of investment property | 8.40         | -            | 7.78         |
| Administrative income                   | 8.31         | 8.56         | 13.91        |
| penalty income                          | -            | -            | 24.31        |
| Other                                   | 3.25         | 3.53         | 4.45         |
| <b>Total</b>                            | <b>36.94</b> | <b>27.94</b> | <b>64.59</b> |

During the year 2019 - 2021, the Company had other income equal to Baht 36.94 million, Baht 27.94 million and Baht 64.59 million respectively. In 2020, the Company had other income decreased by Baht 9 million or 24.36% when compared to the same period of the previous year, due to the main reason of a decrease in profit from the sale of investment properties.

In 2021, the Company's other income was Baht 64.59 million, increase of Baht 36.65 million or 131.17% when compared to the same period of the previous year, due to the recognition of penalties income.

#### 4.1.2.2 Expenses

##### 1) Total Expenses

Total expenses of the Company comprise of cost of sales, cost of rental and services, selling expenses, administrative expenses, loss on sale of investment in trading securities, loss from change in the investment transfer and loss from sale of investment in subsidiaries, details are as follows :

| Total Expenses                               | Audited Financial Statement as of December 31, |                |               |                |               |                |
|--|--|----------------|---------------|----------------|---------------|----------------|
|  | Year 2019                                      |                | Year 2020     |                | Year 2021     |                |
|  | MB   | %              | MB            | %              | MB            | %              |
| Cost of Sale                                 | 90.78  | 18.26%         | 99.92         | 20.86%         | 176.95        | 30.81%         |
| Cost of rental and services                  | 152.32   | 30.64%         | 153.41        | 32.02%         | 151.71        | 26.41%         |
| Selling expenses                             | 20.82  | 4.19%          | 27.32         | 5.70%          | 51.94         | 9.04%          |
| Administrative expenses                      | 225.09   | 45.28%         | 198.43        | 41.42%         | 193.83        | 33.74%         |
| Loss from sale of investment in subsidiaries | 8.09   | 1.63%          | -             | 0.00%          | -             | 0.00%          |
| <b>Total Expenses</b>                        | <b>497.10</b>                                  | <b>100.00%</b> | <b>479.08</b> | <b>100.00%</b> | <b>574.43</b> | <b>100.00%</b> |

During the year 2019 - 2021, the Company's total expenses were Baht 497.10 million, Baht 479.08 million and Baht 574.43 million respectively. In 2020, the total expenses decreased by Baht 18.02 million or decrease of 3.63% when compared to the same period of the previous year which was the result of the decrease in administrative expenses. There was loss from impairment of investment of JCKU and compensation from investment that decreased from year 2019.

For the year 2021, the Company's expense had increased by Baht 95.35 million or 19.90%. Mainly from the increase in cost of sale which increase Baht 77.03 million which corresponds to increased sales revenue.

## 2) Cost of Sale

Cost of Sale of the Company consists of cost of vacant land, cost of land with factory and cost of condominium unit sold.

| Unit : Million Baht               | Year 2019    | Year 2020    | Year 2021     |
|-----------------------------------|--------------|--------------|---------------|
| Cost of sale of vacant land       | 38.02        | 13.41        | 135.82        |
| Cost of sale of land with factory | 41.52        | 45.11        | -             |
| Cost of sale of condominium unit  | 11.24        | 41.40        | 41.13         |
| <b>Total</b>                      | <b>90.78</b> | <b>99.92</b> | <b>176.95</b> |

### - Cost of sale of land and factory

In year 2020, the Company had total cost of sales of Baht 58.52 million, decrease of Baht 21.02 million or 26.43% when compared to the same period of the previous year which decreased as sales decreased. The Company has income from the sale of land in the TFD Industrial Estate 2 of 3 rai and a warehouse building in the Green Park 2 project, 1 factory.

For the year 2021, the Company had cost of sales equaled to Baht 135.82 million, increase of Baht 77.30 million or 132.09% when compared to the same period of the previous year which varies with the increase in land sales in 2021.

### - Cost of sale of condominium units

| Cost of sale of condominium units | Year 2019    | Year 2020    | Year 2021    |
|-----------------------------------|--------------|--------------|--------------|
| Project 15 Sukhumvit Residences   | 11.24        | 41.40        | 41.13        |
| <b>Total</b>                      | <b>11.24</b> | <b>41.40</b> | <b>41.13</b> |

In 2019 – 2021, the Company has cost of sales of condominiums equal to Baht 11.24 million, Baht 41.40 million and Baht 41.13 million, respectively. In 2019, the Company has revenue from the sale of condominium, the 15 Sukhumvit Residences project, only 2 rooms, due to most of the projects were already sold during the last year. As a result, the Company's cost of sales of condominiums during the period was reduced to Baht 11.24 million.

In 2020, the Company has revenue from the sale of condominium, the 15 Sukhumvit Residences project, only 1 room, but since the aforementioned rooms are penthouses, which are large causing the cost of sales to increase by Baht 30.16 million.

For the year 2021, the Company has income from the sale of condominiums in the 15 Sukhumvit Residences project, 1 penthouse room, the same as in 2020, so the cost of sales is not much different from the year 2020.

- *Cost of Rental and Services*

| Cost of Rental and Services<br>(Unit : Million Baht) | Year 2019     | Year 2020     | Year 2021     |
|--|---------------|---------------|---------------|
| Rental cost of warehouse                             | 40.68         | 41.65         | 39.85         |
| Rental cost of office buildings                      | 111.64        | 111.76        | 111.86        |
| <b>Total</b>   | <b>152.32</b> | <b>153.41</b> | <b>151.71</b> |

In 2019 – 2021, the Company has cost of rent and services equal to Baht 152.32 million, Baht 153.41 million and Baht 151.71 million, respectively. In 2020, the Company's cost of rent and services equals Baht 153.41 million, an increase of Baht 1.09 million from the same period of the previous year, or 0.72%, mainly due to an increase in the cost of renting a warehouse in accordance with the increased occupancy rate.

For the year 2021, the Company's cost of rent and services decreased by Baht 1.70 million or 1.11%.

### 3) Sales and Administrative Expenses

Sales Expenses of the Company comprise of advertising and promotion, salesmen salary, sale management and commission while the administrative expenses comprise of salary, director's remuneration, travelling expenses and entertainment expenses and office rental expense. The details were as follows:

| Sales and Administrative Expenses<br>(Unit : Million Baht) | Year 2019     | Year 2020     | Year 2021     |
|--|---------------|---------------|---------------|
| Sales Expenses   | 20.82         | 27.32         | 51.94         |
| Administrative Expenses                                    | 225.09        | 198.43        | 193.83        |
| <b>Total</b>   | <b>245.91</b> | <b>225.75</b> | <b>245.77</b> |

- *Sales expenses*

In 2019 – 2021, the Company had sales expenses of Baht 20.82 million, Baht 27.32 million and Baht 51.94 million, respectively, or 4.88%, 6.58% and 9.07% of total revenue, respectively. In 2020, the Company had sales expenses increased by Baht 6.50 million or 31.22% compared to the

same period of the previous year. This was mainly due to an increase in advertising and promotional costs and expenses for the transfer of condominium ownership.

For the year 2021, the Company's sales expenses increased by Baht 24.62 million or 90.12%, mainly due to the Company's expenses related to employees and sale of land.

*- Administrative Expenses*

In 2019 – 2021, the Company has administrative expenses equal to Baht 225.09 million, Baht 198.43 million and Baht 193.83 million, respectively, or compared to total revenue, accounting for 52.79%, 47.78% and 33.86% of total revenue accordingly. In 2020, the Company's administrative expenses decreased by Baht 26.66 million or 11.84% compared to the same period of the previous year. This was mainly due to lower employee expenses from salary cuts amid the impact of the coronavirus pandemic.

For the year 2021, the Company's administrative expenses decreased by Baht 4.54 million or 2.29% compared to the same period of the previous year. This was mainly due to the Company's provision for doubtful accounts and employee-related expenses increased.

#### **4) Financial Expenses**

In 2019 – 2021, the Company had financial expenses of Baht 397.92 million, Baht 386.04 million and Baht 401.72 million, respectively. In 2020, the Company's financial expenses decreased by Baht 11.88 million when compared to the same period of the previous year. This was because the Company's interest expenses decreased due to the gradual repayment of borrowings, while in 2021 the Company had financial expenses increased by Baht 15.68 million when compared to the same period of the previous year. The reason was because the loan was increased during the year.

#### **4.1.2.3 Profitability**

##### **1) Gross Profit Margin**

In 2019 – 2021, the Company has gross profit margin equal to 37.58%, 34.61% and 35.31%, respectively. In 2020, the Company's gross profit margin has decreased when compared to the same period of the previous year. Because most of the revenue from this year's sales comes from the sale of condominiums and warehouse while earning income from the sale of land in industrial estates with a high gross margin of only 3 rai or equivalent to a sales value of approximately Baht 25.50 million. However, as of December 31, 2020, the Company has land in TFD Industrial Estate 2 for sale and pending transfer of ownership of 59.4 rai, totaling approximately Baht 540 million.

For the year 2021, the Company's gross profit margin has increased compared to the same period of the previous year. Because most of the revenue from this year's sales comes from the sale of condominiums and warehouse while earning income from the sale of land in industrial estate of 30 rai or representing a sales value of approximately Baht 230 million. However, as of December 31, 2021

The gross profit margin of the Company can be divided into 3 main business groups as the following table:

| Gross Profit Margin       | Year<br>2019  | Year<br>2020  | Year<br>2021  |
|---------------------------|---------------|---------------|---------------|
| Sale of land and factory  | 32.59%        | 33.12%        | 36.41%        |
| Sale of condominium units | 16.74%        | 5.67%         | 9.54%         |
| Rental and services       | 40.96%        | 40.07%        | 39.01%        |
| <b>Total</b>              | <b>37.58%</b> | <b>34.61%</b> | <b>35.31%</b> |

From the above table, the gross profit margin of the land and factory building business during the year 2019 and 2020, the Company's revenue was mainly from the sale of warehouses in Bang Sao Thong Project which is a business that has a lower gross margin compared to the business of selling land in industrial estates. As a result, the gross profit margin from this business has been reduced to 32.59% and 33.12%, respectively, while in 2021, the Company's gross profit margin of the land and factory building business is 36.41% due to the sale of land increase from last year.

In 2019 - 2021, the Company's gross profit margin of the condominium business was 16.74%, 5.67% and 9.54%, respectively. The main reason for the difference in gross profit margin because in 2019 - 2020, revenue comes from the sale of the 15 Sukhumvit Residences project, which had a small number of condominium units left for sale as well as being a large suite and is a bare shell that has not been decorated. As a result, the profit margin has decreased from the previous year and in 2021 can sell 1 Penthouse unit.

In 2019 - 2021, the Company has gross profit margin of rental and service business equal to 40.96%, 40.07% and 39.01%, respectively. In 2020, the gross profit margin slightly decreased to 40.07% due to temporary rental reductions for some operators affected by Coronavirus outbreak 2019, while in 2021 gross profit margin slightly decreased by a percentage point 39.01% due to temporary rent cuts for some operators who are still affected by the 2019 coronavirus outbreak, where gross margins are still not much different from last year.



## **2) Operating Profit Margin**

In 2019 – 2021, the Company's operating profit margin is -25.55%, -23.67% and -13.07%, respectively, with an increase in operating profit margin was mainly due to the increase in income from land sales during the year. As a result, operating profit from 2021 has increased.

## **3) Net Profit Margin**

In 2019 – 2021, the Company's net profit margin was -110.07%, -69.81% and -37.11%, respectively. The Company's net profit margin increased mainly due to the increase in profit from land sales in 2021 and the Company began to recognize profit sharing from the Artisan Ratchada project, which began to transfer ownership to customers since the second quarter of 2020.

## **4) Earnings Per Share (EPS)**

In 2019 – 2021, the Company has a rate of return on shareholders of the Company -17.99%, -12.81% and -10.17%, respectively. In 2020, the Company has a negative return on shareholders, this was a result of lower revenue from condominium sales. In addition, there are still high financial expenses, as a result, the Company still has operating loss. In 2021, the Company has a slightly negative return on equity, this was a result of higher income from the sale of land, resulting in an increase in profit recognition. However, the financial costs are still high which result to the Company still has operating losses.

### **4.1.2.4 Assets Management Ability**

#### **1) Assets**

The Company's main assets consist of development costs of real estate projects, leasehold and investment properties. In 2019 - 2021, the Company had total assets of Baht 8,256.95 million, Baht 8,459.59 million and Baht 8,782.32 million, respectively. In 2021, the Company's total assets increased by Baht 322.73 million or 3.81% compared to the same period of the previous year. This was mainly due to the increase in leasehold assets.

During the year 2019 - 2021, the Company has a return on assets of -5.61%, -3.47% and -2.47%, respectively. The return on asset in the year 2019 - 2021 was negative because the Company had suffered from loss from the operation. In the past, the Company had invested in assets quite a lot and some of them were now still under development stage, especially the TFD Industrial Estate 2 which has received the land allocation permits from the IEAT on March 2, 2018, then the development could commence and develop. Currently, the Company has started to sell and recognized revenue from the land in the project since 2018 but the volume was not so much since the main utility of the

project had not yet developed, thus some investors were not confident to invest in the industrial estate of the Company. Moreover, in 2019-2021, the Company also had affected from the economic slowdown and the outbreak of the virus CORONA 19, therefore the sale of land in the industrial estate cannot be sold as per Company's plan. However, the Company has now accelerated in investment and development of the said project to create the confidence to the investors, Currently, The Company has developed the main utility for more than 75%. In addition, the pandemic of CORONA 19 should have recovered and is likely to decrease as each country has started vaccination. From the various factors, it is expected that in 2022, the Company will be able to sell the land and recognized the revenue better than the past year. In addition, the Company will start to realize the gains from the investment in the joint venture company BGY&TFD which operate to develop the condominium under the name "The Artisan Ratchada" which has started to transferred the ownership since the second quarter of the year 2020, which will allow the Company to realize the revenue from the gain on profit from the project continuously until 2025.

## **2) Cash and cash equivalents**

In 2019 – 2021, the Company had cash and cash equivalents of Baht 24.86 million, Baht 14.73 million and Baht 75.52 million, respectively. As of December 31, 2020, the Company has cash and cash equivalents decreased from the end of 2019 in the amount of Baht 10.13 million due to the Company's gradual repayment of loans and on December 31, 2021, the Company has cash and cash equivalents increased from the end of 2020 by Baht 60.79 million because the Company received cash flow from the sale of convertible debentures.

## **3) Trade receivables and other receivables**

In 2019 – 2021, the Company had trade and other receivables equal to Baht 103.65 million, Baht 145.51 million and Baht 145.94 million, respectively. As of December 31, 2020, the Company's trade receivables and other receivables increased from the end of 2019 by Baht 41.86 million or 40.39% from accounts receivable arising from the sale of the Green Park 1 warehouse that entered into a purchase and sale agreement during the fourth quarter of 2020 that has not yet paid the installment in accordance with the contract, while as of December 31, 2021 the Company's trade receivables and other receivables increased from the end of 2020 by Baht 0.43 million or 0.30%, which was not much different from the previous year due to the Company still has a policy to reduce rent and service fees for tenants from a result of the 2019 coronavirus epidemic that has affected tenants.

#### 4) Project Development Costs

In 2019 – 2021, the Company has real estate project development costs equal to Baht 5,825.02 million, Baht 5,858.14 million and Baht 5,883.39 million, respectively. As of December 31, 2020, the Company has real estate project development costs increased from the end of 2019 by Baht 33.12 million, mainly due to the cost of development of the TFD Industrial Estate 2 project has increased and as of December 31, 2021 increased from the end of 2020 by Baht 25.25 million, mainly due to the increase in the cost of development of the TFD Industrial Estate 2 project that continues to increase from the Company has accelerated the development of major utilities by more than 75% to increase investor confidence.

#### 5) Investment Properties

Investment Properties of the Company comprised of Office building for rent, factory and warehouse for rent (which already have tenants). In 2019 – 2021, the Company has investment properties of Baht 828.92 million, Baht 902.11 million and Baht 973.24 million, respectively. As of December 31, 2020, the Company's investment properties increased from the end of 2019 by Baht 73.19 million because warehouses and factories can be rented more. And as of December 31, 2021, the Company's investment properties increased from the end of 2020 by Baht 71.13 million due to the Company was able to rent more warehouse and factories in this year with more new tenants.

#### 4.1.2.5 Liquidity and sufficiency of funds

##### Source of funds

| Source of funds              | As of December 31, |           |           |
|------------------------------|--------------------|-----------|-----------|
|                              | Year 2019          | Year 2020 | Year 2021 |
| Total Liabilities            | 5,837.04           | 6,351.04  | 6,712.96  |
| Total shareholders' equity   | 2,419.91           | 2,108.55  | 2,069.36  |
| Debt to Equity Ratio (times) | 2.41               | 3.01      | 3.24      |

#### 1) Liabilities

Main Liabilities of the Company consist of short-term borrowings from the financial institutions, bill of exchange, debentures and long-term loan from the financial institutions. In 2019 – 2021, the Company has total liabilities of Baht 5,837.04 million, Baht 6,351.04 million and Baht 6,712.96 million, respectively. As of December 31, 2020, the Company's liabilities increased from the end of 2019 by Baht 514.00 million, mainly due to an increase of the lease liabilities and as of December 31, 2021, the Company's liabilities increased from the end of 2020 by Baht 361.92 million, mainly due to an increase in the classification of long-term loans from financial institutions.

## 2) Bank overdrafts and short-term borrowing

In 2019 – 2021, the Company had bank overdrafts and short-term borrowings equal to Baht 377.59 million, Baht 412.10 million and Baht 404.87 million, respectively. As of December 31, 2020, the Company had bank overdrafts and short-term loans increased from the end of Year 2019, amounted to Baht 34.51 million, due to the Company having more short-term borrowings for its working capital, and as of December 31, 2021, the Company had bank overdrafts and short-term borrowings decreased from the end of 2020 by Baht 7.23 million.

## 3) Trade and other payables

Trade payables of the Company consisted of trade payable, construction payable and land payable while other payables comprised of advance from customers, retention guarantee, accrued expenses and etc. In 2019 - 2021, the Company has trade payables and other payables equal to Baht 181.81 million, Baht 218.67 million and Baht 240.92 million, respectively. As of December 31, 2020, the Company's trade payables increased by Baht 36.86 million due to an increase in the portion of the subscription and contract from the sale of land and warehouse buildings including condominiums, while as of December 31, 2021, the Company's trade payables increased in the amount of Baht 22.25 million due to an increase in long-term borrowings which increased during the year.

## 4) Long-term Debentures

As of December 31, 2021, the Company had the long-term debenture outstanding of Baht 3,500.84 million. The Company's debenture did not have any rating. Details of the outstanding debenture were as follows:

| Type of Debentures              | Guarantee      | No.                 | Issued Date | Maturity Date | Interest Rate (%) | Maturity         | Amount  |                |
|---------------------------------|----------------|---------------------|-------------|---------------|-------------------|------------------|---------|----------------|
|                                 |                |                     |             |               |                   |                  | (Unit)  | (Million Baht) |
| Debentures which un subordinate | Has guarantee  | 3/2018 <sup>1</sup> | 27-09-2018  | 27-03-2024    | 7.00              | 5 years 6 months | 344,320 | 344.32         |
|                                 | Some guarantee | 1/2019 <sup>2</sup> | 15-02-2019  | 15-02-2023    | 7.25              | 4 years          | 472,950 | 472.95         |
|                                 | Has guarantee  | 2/2019 <sup>1</sup> | 22-03-2019  | 22-03-2023    | 7.00              | 4 years          | 965,900 | 965.90         |
|                                 | Has guarantee  | 3/2019 <sup>1</sup> | 26-07-2019  | 26-07-2023    | 6.75              | 4 years          | 529,720 | 529.72         |
|                                 | Has guarantee  | 1/2020 <sup>1</sup> | 24-01-2020  | 24-01-2024    | 7.00              | 4 years          | 811,100 | 811.10         |
|                                 | Has guarantee  | 2/2020 <sup>1</sup> | 13-02-2020  | 13-08-2022    | 7.25              | 2 years 6 months | 390,000 | 390.00         |
| Cost of issuing debentures      |                |                     |             |               |                   |                  |         | (13.14)        |
| Total                           |                |                     |             |               |                   |                  |         | 3,500.84       |

Noted <sup>1</sup> Type of Debentures: Named Debentures, unsubordinated, guarantee and have debenture holder representative.

<sup>2</sup> Type of Debentures: Named Debentures, unsubordinated, some guarantee and have debenture holder representative.

### 5) Long term loans from financial institutions

During 2019-2021, the Company had long-term loan from the financial institutions-net of the current portion in one year equaled to Baht 775.56 million, Baht 748.38 million and Baht 339.20 million respectively. As at December 31, 2020, the Company had the long-term loan from the financial institutions decrease from the year 2019 of Baht 27.22 million or a 3.51% when compared to the same period of the previous year. In 2021, the Company's long-term borrowings from financial institutions decreased from the end of 2020 in the amount of Baht 409.14 million or 54.67% compared to the same period of the previous year. This was due to the repayment of debt from the transfer of ownership of the TFD Industrial Estate 2 and the classification of long-term loans from financial institutions.

### 6) Shareholders' Equity

In 2019 – 2021, the Company has total shareholders' equity of Baht 2,419.91 million, Baht 2,108.55 million and Baht 2,069.36 million, respectively. At the end of 2020 and 2021, the Company's shareholders' equity decreased from the end of the previous year by Baht 311.36 million and Baht 39.19 million, respectively, due to a loss in operating results during the past year.

### 7) Debt to Equity Ratio (D/E ratio)

During 2019- 2021, the Company had the Debt-to-Equity ratio equal to 2.41 times, 3.01 times and 3.24 times, respectively. The Debt-to-Equity ratio as of December 31, 2020 and as of December 31, 2021 had increased from the prior year. This was due to the fact that the Company had issued new lot of debentures to reserve the fund for the repayment of liabilities which had scheduled to due and also to use as the working capital in the Company and also because the shareholders' equity had decreased from the loss from operation, especially in 2020-2021 which the Company had impact from the outbreak of the CORONA 2019, thus the Debt-to-Equity Ratio had increased from the same period in the prior year.

#### 4.1.3 Investment Cost

The Company and its subsidiaries shared the main policy for the investment cost to mainly used for the expansion of the business operation. Currently, the projects which still are under operated by the group are TFD Industrial Estate 2, the warehouse and factory for rent, ready-built factory and warehouses for rent at Tha Sa-An and Bang Sao Thong, The 15 Sukhumvit Residences project (through the investment in CROWN), The Colonial Khao Tao, Hua Hin, The Mahadlek Residences (invested by the Company directly), The Artisan Ratchada (through the investment in BGY&TFD) , the investment in the office building for rent (through the

investment in SG), investment in the M-II Property Fund. The main source of funds for these projects was the loans from financial institutions, debentures and convertible debentures including the funds received from the capital increase and from working capital of the Company.

For the investment plan in the year 2022, the Company and its subsidiaries will mainly concentrate on the development and upgrade the utility system of the TFD Industrial Estate 2 which has estimated the total investment to be in total of Baht 240 - 300 million (Mainly utility system has been developed more than 75%) by using the source of fund from the borrowing and the equity in the Company. However, the amount of money is relatively low when compare to the total project value thus the Company foresees that it will not affect the Company's liquidity.

#### 4.1.4 Liquidity Adequacy

| Cash flow (Unit : Million Baht)                               | Year 2019      | Year 2020     | Year 2021    |
|---|----------------|---------------|--------------|
| Cash flow from / (used in) operating activities               | (908.08)       | (98.37)       | (475.83)     |
| Cash flow from / (used in) investing activities               | 582.37         | 134.34        | 91.38        |
| Cash flow from / (used in) financing activities               | 296.84         | (44.48)       | 445.23       |
| Net Increase (Decrease) in the translation adjustments        | (2.60)         | -             | -            |
| <b>Net increase (decrease) in Cash Flow during the period</b> | <b>(31.47)</b> | <b>(8.51)</b> | <b>60.78</b> |

##### 4.1.4.1 Cash flow from operating activities

In 2019 - 2021, the Company had cash flows used in operating activities of Baht 908.08 million, Baht 98.37 million and Baht 475.83 million, respectively, mainly due to interest expenses incurred during the year 2019 - 2021 of Baht 427.68 million and Baht 388.58 million and Baht 474.29 million, respectively, including increased investment in project development during the year, the amount was Baht 207.44 million, Baht 43.47 million and Baht 145.03 million, respectively.

##### 4.1.4.2 Cash flow from investing activities

In 2019 - 2021, the Company had cash flows from investing activities of Baht 582.37 million, Baht 134.34 million and Baht 91.38 million, respectively. In 2019, the Company's cash flows from investing activities were Baht 582.37 million, mostly from repayment of long-term loans from the sale of Bognor in the amount of Baht 333.18 million and cash received from the sale of investments in the subsidiary of Bognor in the amount of Baht 170.86 million. In 2020, the Company had cash flows from investing activities equal to Baht 134.34 million, mainly due to repayment of loans from related parties

amounting to Baht 65.00 million, reduced deposits at financial institutions with Baht 43.57 million as collateral and interest received Baht 24.20 million.

For the year 2021, the Company's cash flow from investing activities was Baht 91.38 million, mainly from cash received from consulting and project management contracts of Baht 56.07 million and cash received from sales of investment properties of Baht 30 million.

#### **4.1.4.3 Cash flow from financing activities**

For the year 2019, the Company has cash flow from financing activities equal to Baht 296.84 million because the Company has issued a new set of debentures of Baht 2,078.00 million to pay off debentures that mature in the amount of Baht 1,238.63 million and pay off long-term loans from financial institutions in the amount of Baht 525.77 million, while in 2020, the Company has cash flows used in financing activities of Baht 44.48 million, because the Company has used money to repay long-term loans from financial institutions in the amount of Baht 22.65 million.

In 2021, the Company had cash flow from financing activities of Baht 445.23 million, caused by the Company having short-term borrowings from related parties of Baht 267.00 million, cash received from long-term borrowings from financial institutions increased Baht 348.00 million to repay long-term loans from financial institutions in the amount of Baht 215.42 million.

The Company's current ratio at the end of the year 2019 - 2021 was 2.32 times, 1.79 times and 2.21 times, respectively. The current ratio in the year 2020 slightly decreased from the year 2019 to 1.79 times due to the Company had current liabilities increased Baht 759.93 million, this was mainly due to an increase in debentures due within one year while the current asset decreased by Baht 63.07 million. For the year 2021, the current ratio had increased from the end of the year 2021 to 2.21 times due to the decrease in the current liabilities of Baht 609.44 million, mainly from the current portion of the debenture which will be due within one year and portion of long-term loans from related parties while total current assets increased by Baht 97.11 million.

#### **4.2 Factors or events that may significantly affect the financial position or operations in the future.**

The Thai economy in 2022 has tendency to improve. This was supported by the easing of measures to control the spread of the Coronavirus Disease 2019 (COVID-19), resulting in industrial estate business tending to grow after a severe contraction during 2020-2021. It is expected that the Land sales and rentals in the industrial estates will expand by an average of 20 percent per year. Due to the risk of country closure and lock down the travel have results in the continuous growth of factories and warehouse business against the economic trend. The main supporting factor for the warehousing business comes from the demand for storage

space and distribute the products in e-commerce businesses that want to relocate the base of both domestic and international manufacturers to move closer to the consumer.

In addition, the trend of the condominium market in 2022 will gradually move back to growth. The market price level will not increase much because there are new condominium developments that penetrate the condominium budget groups. The government has government measures to facilitate the purchase of real estate such as reducing the transfer fee, mortgage fees for real estate for real estate that value not exceeding 3 million Baht including relaxation of mortgage control measures (Loan-to-Value : LTV) of the Bank of Thailand which conducive to buyers and investors to help stimulate the real estate market.

However, the epidemic situation of the coronavirus disease 2019 (COVID-19) that has now returned to spread in many waves which may have risk factors from mutations. In addition, inflation continued to rise, the international conflict, household debt. All these factors affect the rigor in considering mortgage loans of financial institutions including domestic political risks causing a slowdown during the economic recovery and affects many businesses and industries. This includes the Group's business activities with respect to sales and transfers of ownership which has a significant impact on the financial position, performance and cash flow at present and in the future of the Group.



### 4.3 Important financial information

#### 4.3.1 Audit's Report Summary

Auditor's report for the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries for the year 2021, audited by Ms. Siraporn Ouaanunkun. Certified Public Accountant, Registration Number 3844 from EY Office Limited, expressed an unconditional opinion that the above financial statements present the consolidated and separate financial position of the Company as at December 31, 2021, the consolidated and the separate operating results and the consolidated and separate cash flows for the year ended on the same day of the Company correctly as it should be in essence according to generally accepted accounting principles. However, the auditor has identified information and events that highlight

- The Coronavirus disease 2019 pandemic has slowed down the economic recovery and has adversely impacted most businesses and industries. This situation has significantly affected the Group business activities in terms of sales and transfer of ownership. This is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to continue in the future. However, the impact cannot be reasonably estimated at this stage.
- Currently, the Company is requesting the extension period for loan repayment to a bank and the management believes that the bank will approve the request.
- The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

#### Key Audit Matters

An important issue in the audit is various matters with the most significant, at the discretion of a professional auditor.

Important matters in the audit and the procedures for each subject are as follows;

- Compliance with covenants stipulated in borrowing agreements  
As of 31 December 2021, the Group had bills of exchange, promissory notes, loans from unrelated parties and financial institutions, and debentures totaling Baht 5,217 million or 78 of total liabilities (Separate financial statements: Baht 4,826 million or 79 of total liabilities), as discussed in Notes 17, 19 and 21 to the financial statements. Under the borrowing agreements, the Group needs to comply with certain covenants, if the Group is unable to comply with those covenants, this may cause the lenders to call the loans and resulted in the

reclassification of the liabilities from non-current liabilities to current liabilities, which could impact on the going concern of the Group.

The auditor read the borrowing agreements and gained an understanding of the process of management's monitoring compliance with the covenants and testing for compliance with both non-financial and financial covenants, including whether financial ratios are in line with those stipulated in the borrowing agreements. In addition, the auditors reviewed the disclosures made with respect to covenants in the notes to the financial statements.

- Allowance for diminution in value of project development cost

As of 31 December 2021, the Group had an outstanding balance of project development cost totaling Baht 5,883 million, or 67% of total assets (Separate financial statements: Baht 4,706 million or 58% of total assets), as disclosed in Note 9 to the financial statements. The estimating of the allowance for diminution in the value of project development cost is an area of significant management judgement. This requires analysis of the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the allowance for diminution in value of project development cost.

The auditor gained an understanding of the process of the Group relevant to the determination of allowance for diminution in value of project development cost. The auditors assessed the method and the assumption applied by the management in determining the provision for diminution in value of project development cost and for those property projects of which the fair value has been appraised by an independent appraiser.

### 4.3.2 Summary of financial statements

#### 4.3.2.1 Statement of Comprehensive Income

| Statement of Comprehensive Income (Unit : Million Baht)                            | As of December 31, |                  |                 |                 |                 |                 |
|--|--------------------|------------------|-----------------|-----------------|-----------------|-----------------|
|  | Year 2019          |                  | Year 2020       |                 | Year 2021       |                 |
|  | Million Baht       | %                | Million Baht    | %               | Million Baht    | %               |
| <b>Revenue</b>   |                    |                  |                 |                 |                 |                 |
| Revenue from sale  | 131.50             | 30.84%           | 131.39          | 31.64%          | 259.31          | 45.28%          |
| Revenue from rental and services   | 257.98             | 60.50%           | 256.00          | 61.64%          | 248.74          | 43.44%          |
| Gain on sales of investment properties   | 8.40               | 1.97%            | -               | 0.00%           | 7.78            | 1.36%           |
| Dividend income  | 9.67               | 2.27%            | 10.30           | 2.48%           | 10.62           | 1.85%           |
| Interest income  | 7.31               | 1.71%            | 5.55            | 1.34%           | 3.52            | 0.61%           |
| Other income   | 11.56              | 2.71%            | 12.09           | 2.91%           | 42.67           | 7.45%           |
| <b>Total revenues</b>  | <b>426.41</b>      | <b>100.00%</b>   | <b>415.33</b>   | <b>100.00%</b>  | <b>572.64</b>   | <b>100.00%</b>  |
| <b>Expenses</b>  |                    |                  |                 |                 |                 |                 |
| Cost of sales  | 90.78              | 21.29%           | 99.92           | 24.06%          | 176.95          | 30.90%          |
| Cost of rental and services  | 152.32             | 35.72%           | 153.41          | 36.94%          | 151.71          | 26.49%          |
| Selling expenses   | 20.82              | 4.88%            | 27.32           | 6.58%           | 51.94           | 9.07%           |
| Administrative expenses  | 225.09             | 52.79%           | 198.43          | 47.78%          | 193.83          | 33.85%          |
| Loss on disposal of investment in subsidiary                                       | 8.09               | 1.90%            | -               | 0.00%           | -               | 0.00%           |
| <b>Total expenses</b>  | <b>497.10</b>      | <b>116.58%</b>   | <b>479.08</b>   | <b>115.35%</b>  | <b>574.43</b>   | <b>100.32%</b>  |
| <b>Profit (loss) before share of loss from investments in joint ventures</b>       | <b>(70.69)</b>     | <b>(16.58%)</b>  | <b>(63.75)</b>  | <b>(15.35%)</b> | <b>(1.80)</b>   | <b>(0.32%)</b>  |
| <b>Finance costs and taxes</b>   |                    |                  |                 |                 |                 |                 |
| Share of profit (loss) from investments in joint ventures                          | (11.57)            | (2.71%)          | 143.47          | 34.54%          | 238.01          | 41.56%          |
| <b>Profit (loss) before finance and income tax expenses</b>                        | <b>(11.57)</b>     | <b>(19.29%)</b>  | <b>79.72</b>    | <b>19.19%</b>   | <b>236.21</b>   | <b>41.25%</b>   |
| <b>Financial cost</b>  | <b>(397.92)</b>    | <b>(93.32%)</b>  | <b>(386.04)</b> | <b>(92.95%)</b> | <b>(401.72)</b> | <b>(70.15%)</b> |
| <b>Profit (loss) before income tax expenses</b>                                    | <b>(480.18)</b>    | <b>(112.61%)</b> | <b>(306.32)</b> | <b>(73.75%)</b> | <b>(165.51)</b> | <b>(28.90%)</b> |
| Income tax expenses  | (6.13)             | (1.44%)          | 16.37           | 3.94%           | (47.01)         | (8.21%)         |
| <b>Profit (loss) for the period from continuing operations</b>                     | <b>(486.31)</b>    | <b>(114.05%)</b> | <b>(289.95)</b> | <b>(69.81%)</b> | <b>(212.52)</b> | <b>(37.11%)</b> |
| <b>Canceled operation</b>  |                    |                  |                 |                 |                 |                 |
| Profit for the period from discontinued operations                                 | 16.95              | 3.98%            | -               | 0.00%           | -               | 0.00%           |
| <b>Profit (loss) for the period</b>  | <b>(469.36)</b>    | <b>(110.07%)</b> | <b>(289.95)</b> | <b>(69.81%)</b> | <b>(212.52)</b> | <b>(37.11%)</b> |
| Equity belonging to the shareholders of the Company                                | (491.71)           | (115.31%)        | (309.45)        | (74.51%)        | (224.51)        | (39.21%)        |
| Non-controlling interests of the subsidiary  | 22.35              | 5.24%            | 19.50           | 4.70%           | 11.20           | 1.96%           |
| <b>Profit (loss) per share - Equity attributable to the Company's shareholders</b> |                    |                  |                 |                 |                 |                 |
| Profit (Loss) per share (Basic)  | (0.2300)           |                  | (0.1441)        |                 | (0.1033)        |                 |

#### 4.3.2.2 Statement of financial position

| Statement of financial position<br>(Unit : Million Baht)                   | As of December 31, |                |                 |                |                 |                |
|--|--------------------|----------------|-----------------|----------------|-----------------|----------------|
|  | Year 2019          |                | Year 2020       |                | Year 2021       |                |
|  | Million Baht       | %              | Million Baht    | %              | Million Baht    | %              |
| <b>Assets</b>  |                    |                |                 |                |                 |                |
| Cash and cash equivalents  | 23.25              | 0.28%          | 14.73           | 0.17%          | 75.52           | 0.86%          |
| Trade and other receivables  | 103.65             | 1.26%          | 145.51          | 1.72%          | 145.94          | 1.66%          |
| Short-term loans to related parties and interest receivable                | 90.34              | 1.09%          | 7.18            | 0.08%          | 7.18            | 0.08%          |
| Project development costs  | 5,825.02           | 70.55%         | 5,858.14        | 69.25%         | 5,883.39        | 66.99%         |
| Deposit for purchase of land   | 153.89             | 1.86%          | 148.99          | 1.76%          | 177.02          | 2.02%          |
| Deposit for purchase of real estate projects                               | 65.00              | 0.79%          | -               | 0.00%          | -               | 0.00%          |
| Other current financial assets   | 1.61               | 0.02%          | 0.98            | 0.01%          | 2.26            | 0.03%          |
| Cost to obtain contracts with customer                                     | -                  | 0.00%          | 23.25           | 0.27%          | -               | 0.00%          |
| Other current assets   | 21.26              | 0.26%          | 22.17           | 0.26%          | 26.75           | 0.30%          |
| <b>Total current assets</b>  | <b>6,284.02</b>    | <b>76.11%</b>  | <b>6,220.95</b> | <b>73.54%</b>  | <b>6,318.05</b> | <b>71.94%</b>  |
| Restricted bank deposits   | 74.14              | 0.90%          | 30.58           | 0.36%          | 30.78           | 0.35%          |
| Investment in joint venture  | 120.29             | 1.46%          | 263.77          | 3.12%          | 343.71          | 3.91%          |
| Investment property  | 828.92             | 10.04%         | 902.11          | 10.66%         | 973.24          | 11.08%         |
| Equipment  | 53.84              | 0.65%          | 44.14           | 0.52%          | 180.42          | 2.05%          |
| License assets   | 418.68             | 5.07%          | 567.48          | 6.71%          | 538.08          | 6.13%          |
| Corporate income tax awaiting refund                                       | 83.79              | 1.01%          | 48.07           | 0.57%          | 44.74           | 0.51%          |
| Deferred tax assets  | 214.69             | 2.60%          | 246.86          | 2.92%          | 205.58          | 2.34%          |
| Other non-current financial assets   | 150.22             | 1.82%          | 123.45          | 1.46%          | 133.81          | 1.52%          |
| Other non-current assets   | 28.35              | 0.34%          | 12.18           | 0.14%          | 13.90           | 0.16%          |
| <b>Total non-current assets</b>  | <b>1,972.92</b>    | <b>23.89%</b>  | <b>2,238.64</b> | <b>26.46%</b>  | <b>2,464.26</b> | <b>28.06%</b>  |
| <b>Total assets</b>  | <b>8,256.95</b>    | <b>100.00%</b> | <b>8,459.59</b> | <b>100.00%</b> | <b>8,782.32</b> | <b>100.00%</b> |
| <b>Liabilities</b>   |                    |                |                 |                |                 |                |
| Bank overdrafts and short-term loans                                       | 377.59             | 4.57%          | 412.10          | 4.87%          | 404.87          | 4.61%          |
| Short-term loans from related parties and interest payable                 | -                  | 0.00%          | 8.00            | 0.09%          | 177.55          | 2.02%          |
| Trade and other payables   | 181.81             | 2.20%          | 218.67          | 2.58%          | 240.92          | 2.74%          |
| Advance payment from customers   | 25.76              | 0.31%          | 126.04          | 1.49%          | 150.83          | 1.72%          |
| Portion of debentures due within one year                                  | 1,636.01           | 19.81%         | 2,118.81        | 25.05%         | 731.38          | 8.33%          |
| Portion of long-term loans from financial institutions due within one year | 437.45             | 5.30%          | 442.44          | 5.23%          | 972.47          | 11.07%         |
| Portion of contract liabilities due within one year                        | 0.63               | 0.01%          | 36.26           | 0.43%          | 89.79           | 1.02%          |
| Portion of long-term loans from related parties due within one year        | 36.00              | 0.44%          | 45.00           | 0.53%          | 0.72            | 0.01%          |
| accrued income tax   | 4.11               | 0.05%          | 2.62            | 0.03%          | 0.60            | 0.01%          |
| Other current liabilities  | 13.28              | 0.16%          | 62.65           | 0.74%          | 94.00           | 1.07%          |
| <b>Total current liabilities</b>   | <b>2,712.66</b>    | <b>32.85%</b>  | <b>3,472.59</b> | <b>41.05%</b>  | <b>2,863.15</b> | <b>32.60%</b>  |

### Statement of financial position (Continue)

| Statement of financial position<br>(Unit : Million Baht)                                       | As of December 31, |                |                 |                |                 |                |
|--|--------------------|----------------|-----------------|----------------|-----------------|----------------|
|  | Year 2019          |                | Year 2020       |                | Year 2021       |                |
|  | Million Baht       | %              | Million Baht    | %              | Million Baht    | %              |
| Debentures - net of portion due within one year  | 2,015.90           | 24.41%         | 1,489.00        | 17.60%         | 2,769.46        | 31.53%         |
| Long-term borrowings - net of portion due within one year                                      | 775.56             | 9.39%          | 748.34          | 8.85%          | 339.20          | 3.86%          |
| Long-term loans from related parties and accrued interest - net of portion due within one year | 39.57              | 0.48%          | 4.72            | 0.06%          | -               | 0.00%          |
| Rental deposit received  | 70.52              | 0.85%          | 67.91           | 0.80%          | 72.10           | 0.82%          |
| Lease liabilities - net of portion due within one year   | 192.95             | 2.34%          | 531.81          | 6.29%          | 625.00          | 7.12%          |
| Reserve long-term employee benefits  | 27.06              | 0.33%          | 33.29           | 0.39%          | 40.14           | 0.46%          |
| Other non-current liabilities  | 2.81               | 0.03%          | 3.39            | 0.04%          | 3.91            | 0.04%          |
| <b>Total non-current liabilities</b>   | <b>3,124.38</b>    | <b>37.84%</b>  | <b>2,878.45</b> | <b>34.03%</b>  | <b>3,849.81</b> | <b>43.84%</b>  |
| <b>Total liabilities</b>   | <b>5,837.04</b>    | <b>70.69%</b>  | <b>6,351.04</b> | <b>75.08%</b>  | <b>6,712.96</b> | <b>76.44%</b>  |
| <b>Equity</b>  |                    |                |                 |                |                 |                |
| Registered capital   | 2,769.47           | 33.54%         | 3,220.55        | 38.07%         | 4,438.81        | 50.54%         |
| Issued and fully paid-up capital   | 2,147.03           | 26.00%         | 2,147.03        | 25.38%         | 2,302.75        | 26.22%         |
| Share premium  | 1,818.63           | 22.03%         | 1,818.64        | 21.50%         | 1,842.97        | 20.99%         |
| Retained earnings - legal reserve  | 50.66              | 0.61%          | 50.66           | 0.60%          | 50.66           | 0.58%          |
| Retained earnings - not allocated  | (1,549.95)         | (18.77%)       | (1,859.40)      | (21.98%)       | (2,083.92)      | -23.73%        |
| Other components of equity   | (185.50)           | (2.25%)        | (206.91)        | (2.45%)        | (198.62)        | -2.26%         |
| Equity of the Company's shareholders   | 2,280.88           | 27.62%         | 1,950.01        | 23.05%         | 1,913.84        | 21.79%         |
| Non-controlling interests of the subsidiary  | 139.03             | 1.68%          | 158.54          | 1.87%          | 155.51          | 1.77%          |
| <b>Total Shareholders' Equity</b>  | <b>2,419.91</b>    | <b>29.31%</b>  | <b>2,108.55</b> | <b>24.92%</b>  | <b>2,069.35</b> | <b>23.56%</b>  |
| <b>Total liabilities and shareholders' equity</b>  | <b>8,256.95</b>    | <b>100.00%</b> | <b>8,459.59</b> | <b>100.00%</b> | <b>8,782.32</b> | <b>100.00%</b> |

### 4.3.2.3 Cash flow statement

| Cash flow statement (Unit : Million Baht)  | Audited financial statements |                |                 |
|--|------------------------------|----------------|-----------------|
|  | Year 2019                    | Year 2020      | Year 2021       |
| <b>Cash flows from operating activities</b>  |                              |                |                 |
| Profit (Loss) before tax   | (480.18)                     | (306.32)       | (165.51)        |
| Profit before tax from discontinued operations   | 20.57                        | -              | -               |
| Profit (Loss) before tax   | (459.61)                     | (306.32)       | (165.51)        |
| Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities: |                              |                |                 |
| Reserve long-term employee benefits  | 9.18                         | 8.80           | 7.70            |
| Depreciation and amortization  | 102.63                       | 119.00         | 119.78          |
| The cost of real estate development projects decreased from the transfer to cost of sales.         | 83.84                        | -              | -               |
| Allowance for expected credit losses/allowance for doubtful accounts (reversal)                    | (2.07)                       | 13.19          | 3.26            |
| (Profit) Loss on disposal of investment in subsidiary  | 8.09                         | -              | -               |
| (Gain) Loss on disposal and amortization of equipment  | (0.17)                       | (0.08)         | (1.14)          |
| (Gain) Loss on valuation of investments in trading securities                                      | 1.25                         | -              | -               |
| (Gain) Loss on disposal of investments in equity securities  | -                            | (0.63)         | (1.59)          |
| (Gain) Loss on valuation of financial assets - Investments in equity securities                    | -                            | 0.63           | (1.28)          |
| Share (profit) loss from investments in joint ventures   | 11.56                        | (143.47)       | (238.01)        |
| Amortization of income tax is withheld.  | -                            | 10.71          | 0.01            |
| Profit from sale of investment property  | (8.40)                       | -              | (7.78)          |
| Dividends received from investments in equity securities   | (9.67)                       | (10.30)        | (10.62)         |
| Interest earned  | (7.32)                       | (5.55)         | (3.52)          |
| Interest expenses  | 402.37                       | 386.04         | 401.72          |
| <b>Profit (loss) from operations before changes in operating assets and liabilities</b>            | <b>131.71</b>                | <b>72.02</b>   | <b>103.03</b>   |
| <u>Decrease (increase) in operating assets</u>   |                              |                |                 |
| Trade accounts and other receivables   | (63.66)                      | 54.00          | (5.99)          |
| Real estate development project cost   | (207.44)                     | 43.47          | (145.03)        |
| Deposit for the purchase of land and condominium units   | (121.88)                     | (27.11)        | (28.03)         |
| The cost of acquiring a contract with a customer   | -                            | (23.25)        | 23.25           |
| Deposit to pay for the purchase of real estate projects  | (65.00)                      | -              | -               |
| Other current assets   | (8.08)                       | (9.50)         | (4.58)          |
| Other non-current assets   | (15.32)                      | 1.71           | (2.97)          |
| <u>Increase (decrease) in operating liabilities</u>  |                              |                |                 |
| Trade and other payables   | (50.51)                      | 20.78          | 5.25            |
| Advance payment from customers   | -                            | 100.27         | 24.79           |
| Rental deposit received  | 17.51                        | (2.62)         | 4.20            |
| Other current liabilities  | (48.20)                      | 49.37          | 31.35           |
| Other non-current liabilities  | 0.48                         | 0.57           | 0.52            |
| <b>Cash used for operating activities</b>  | <b>(430.38)</b>              | <b>279.72</b>  | <b>5.80</b>     |
| Pay long-term employee benefits  | (4.40)                       | (2.57)         | (0.85)          |
| Pay interest   | (427.68)                     | (388.58)       | (474.29)        |
| Receive withholding tax refund   | -                            | 30.98          | 12.88           |
| Pay income tax   | (45.62)                      | (17.92)        | (19.37)         |
| <b>Net cash from (used in) operating activities</b>  | <b>(908.08)</b>              | <b>(98.37)</b> | <b>(475.83)</b> |

### Cash flow statement (Continue)

| Cash flow statement (Unit : Million Baht)   | Audited financial statements |                |               |
|---|------------------------------|----------------|---------------|
|   | Year 2019                    | Year 2020      | Year 2021     |
| <b>Cash flow from investing activities</b>  |                              |                |               |
| Cash flow from investing activities   | (2.86)                       | -              | (4.59)        |
| Buying investments in securities for trading  | -                            | 1.95           | 6.18          |
| Proceeds from the sale of trading securities  | 11.46                        | 43.57          | (0.20)        |
| Decrease in deposits at financial institutions with collateral obligations (increase) | 50.00                        | 65.00          | -             |
| Short-term loans to related parties (increase) Decrease                               | 9.67                         | 10.30          | 10.62         |
| Dividends received from investments   | (17.36)                      | -              | -             |
| Leasehold improvements increased.   | (3.55)                       | (8.64)         | (5.49)        |
| Buy investment property   | (2.31)                       | (0.80)         | (6.52)        |
| Buy equipment   | 31.50                        | -              | 30.00         |
| Proceeds from the sale of investment properties                                       | 170.86                       | -              | -             |
| Cash received from sale of investment in subsidiary                                   | -                            | -              | (1.65)        |
| Increased use rights assets   | -                            | -              | 56.07         |
| Cash received from joint ventures   | 333.18                       | -              | -             |
| Receive loan repayment  | 0.17                         | 0.08           | 1.14          |
| Proceeds from the sale of equipment   | 1.62                         | 24.20          | 5.81          |
| <b>Net cash flows from (used in) investing activities</b>                             | <b>582.37</b>                | <b>134.33</b>  | <b>91.38</b>  |
| <b>Cash flows from financing activities</b>   |                              |                |               |
| Bank overdrafts and short-term loans increase (decrease)                              | (71.25)                      | 34.16          | (7.30)        |
| Payment of short-term loans from related parties                                      | (8.00)                       | 8.00           | 267.00        |
| Proceeds from the issuance of debentures  | 2,078.00                     | 1,201.10       | -             |
| Cash paid for repayment of debentures   | (1,238.63)                   | (1,252.04)     | (112.47)      |
| Repayment of liabilities under finance leases and hire purchase                       | (1.33)                       | -              | -             |
| Long-term loans from financial institutions increased                                 | 104.58                       | 102.22         | 348.00        |
| Payment of debts under the lease agreement  | -                            | (13.05)        | (14.57)       |
| Repayment of long-term loans from financial institutions                              | (525.77)                     | (124.87)       | (215.42)      |
| Repay long-term loans from related parties  | (33.25)                      | -              | -             |
| Cash received from capital increase   | -                            | 0.00           | 130.00        |
| Proceeds from the issuance of convertible debentures                                  | -                            | -              | 50.00         |
| Pay dividends   | (7.50)                       | (0.00)         | -             |
| <b>Net cash flows from (used in) financing activities</b>                             | <b>296.84</b>                | <b>(44.48)</b> | <b>445.23</b> |
| Increase (decrease) difference from translation of financial statements               | (2.60)                       | -              | -             |
| Cash and cash equivalents net increase (decrease)                                     | (31.47)                      | (8.51)         | 60.79         |
| Cash and cash equivalents at the beginning of the period                              | 54.72                        | 23.25          | 14.73         |
| <b>Cash and cash equivalents at the end of the period</b>                             | <b>23.25</b>                 | <b>14.73</b>   | <b>75.52</b>  |

### 4.3.3 Important financial ratios

| Financial ratios   | Unit    | As of December 31, |           |           |
|--|---------|--------------------|-----------|-----------|
|  |         | Year 2019          | Year 2020 | Year 2021 |
| <u>Liquidity ratio</u>   |         |                    |           |           |
| Liquidity ratio  | (Times) | 2.32               | 1.79      | 2.21      |
| Quick Ratio  | (Times) | 0.17               | 0.10      | 0.15      |
| Average collection time ratio  | (Days)  | 22.56              | 28.85     | 27.60     |
| Average sales lead time  | (Days)  | 8,697.38           | 8,416.60  | 6,519.90  |
| Cash cycle   | (Days)  | 8,585.47           | 8,376.09  | 6,488.43  |
| <u>Profitability Ratio</u>   |         |                    |           |           |
| Gross margin   | (%)     | 37.58%             | 34.61%    | 35.31%    |
| Operating profit margin  | (%)     | (25.55%)           | (23.67%)  | (13.07%)  |
| Net profit margin  | (%)     | (110.07%)          | (69.81%)  | (37.11%)  |
| Return on Equity   | (%)     | (17.99%)           | (12.81%)  | (10.17%)  |
| <u>Operating efficiency ratio</u>  |         |                    |           |           |
| Return on Assets   | (%)     | (5.61%)            | (3.47%)   | (2.47%)   |
| <u>Monetary Policy Analysis Ratio</u>  |         |                    |           |           |
| Total Debt to Equity Ratio   | (Times) | 2.41               | 3.01      | 3.24      |
| Net debt to equity Ratio <sup>1/</sup>   | (Times) | 2.19               | 2.76      | 2.92      |
| Interest Coverage Ratio <sup>2/</sup>  | (Times) | 0.05               | 0.51      | 0.75      |
| Interest Coverage Ratio (cash basis) <sup>3/</sup>   | (Times) | 0.41               | 2.12      | 1.00      |
| Ability to pay obligations Ratio <sup>4/</sup>   | (Times) | 0.01               | 0.06      | 0.05      |
| Ability to settle obligations (cash basis) <sup>5/</sup>   | (Times) | 0.05               | 0.74      | 1.90      |
| Net Debt to Earnings Before Interest Expense Income Tax Depreciation and amortization Ratio (after share of loss from joint venture) <sup>6/</sup> | (Times) | 260.00             | 29.29     | 16.95     |
| Notes paid to interest-bearing debts Ratio   | (Times) | 0.04               | 0.03      | 0.03      |
| Interest-bearing debt due within one year to total interest-bearing debt Ratio   | (Times) | 0.47               | 0.52      | 0.39      |
| Loans from financial institutions to total liabilities Ratio   | (Times) | 0.27               | 0.25      | 0.26      |

Noted : 1/ Net debt to equity ratio (times) is calculated from interest-bearing liabilities less cash and cash equivalents short-term investments and/or investments in trading securities divided by the shareholders' equity.

2/ Interest coverage ratio is calculated from profit (loss) after deducting share of loss from investment in joint venture before financial expenses and income taxes plus depreciation and amortization divided by the financial cost.

3/ Interest Coverage Ratio (cash basis) is calculated as (operating cash flow + operating interest + tax)/operating interest expense, investment and financing.

4/ Debt service coverage ratio (DSCR) is calculated from earnings before interest, taxes, depreciation and amortization / (interest-bearing short-term liabilities + interest-bearing long-term liabilities which will be paid within one year)

5/ Debt Service Coverage Ratio (Cash basis) is calculated from cash flow from operations divided by debt payment, capital expenditure, asset purchase expenditure and dividends.

6/ Net Debt to Earnings before interest expense, income tax, depreciation and amortization is calculated from (interest-bearing liabilities - cash equivalents) / profit (loss) after deducting share of loss from investments in joint ventures before interest expense, income tax, depreciation and amortization.



## 5. General information and other important information

### 5.1 General information

#### The Company

##### JCK International Public Company Limited

|                             |  |
|-----------------------------|--|
| Company Abbreviation        | JCK  |
| Company registration date   | November 11, 1977  |
| Company registration number | 0107537000475 (BorMorJor. 294)   |
| Registered Capital          | Baht 4,438,806,550 ( As of December 31, 2021 )   |
| Paid-up Capital             | Baht 2,302,750,962 ( As of December 31, 2021 )   |
| Par Value                   | Baht 1 per share   |
| Nature of Business          | Real estate development, type of land, and construction of a standard factory in TFD Industrial Estate and various industrial estates for sale or rent, providing asset management services in the type of office buildings and SME, ready-made factories with office buildings for rent, residential (condominium) for sale |
| Head Office Address         | No. 18, Soi Sathorn 11 Yeak 9, TFD Building, Yannawa, Sathorn, Bangkok 10120<br>Tel. (662) 676-4031-6, (662) 676-3836-9 Fax. (662) 676-4038-9  |
| Website                     | www.jck.international  |
| Office Project Address      | TFD Industrial Estate<br>No. 1, Moo. 5, Tha Sa-an Sub-district, Bang Pakong District, Chachoengsao Province 24130<br>Tel. (038) 578-756 Fax. (038) 578-757   |
| Office Project Address      | The Colonial Kao Tao Hua Hin<br>No. 1, Moo. 1, Pak Nam Pran Subdistrict Pranburi District Prachuap Khiri Khan Province<br>Tel. (032) 572-581-4 Fax. (032) 572-585  |

Details of all subsidiaries and joint venture companies, please see details in “Article 1.3 1.3 Shareholding Structure of the Group of the Company”.

#### Other related parties

**Securities registrar** : Thailand Securities Depository Company Limited  
No. 93, the Stock Exchange of Thailand Building

Ratchadaphisek Road, Din Daeng District, Bangkok 10400

Tel. (662) 009-9991 Fax. (662) 009-9999

**Securities Dealer and :** Asia Plus Securities Public Company Limited  
**Securities Underwriter** 11th Floor, Sathorn City Tower, 175 South Sathorn Road,  
**(B/E and Debentures)** Sathorn Sub-district, Sathorn District, Bangkok, 10120  
Tel. (662) 680 – 1111 Fax. (662) 680-1014

KT Zmico Securities Company Limited

8th, 15th - 17th, 19th, 21st Floor, Liberty Square Bldg.,

287 Silom Road, Bangrak District, Bangkok, 10500

Tel. (662) 695-5000

Fax. (662) 695-5173

Yuanta Securities (Thailand) Company Limited

127 Gaysorn Tower 14th-16th Floor Ratchadamri Road,

Lumpini Sub-district, Pathumwan District, Bangkok, 10330

Tel. (662) 009 8888

Fax. (662) 009 8889

CIMB Thai Public Company Limited

44 Langsuan Road, Sub-district, Pathumwan District, Bangkok, 10330

Tel. (662) 626 7506, (662) 626 7511

Fax. (662) 009 8889

**The Auditor :** Ms. Siraporn Ouannunkun CPA No. 3844 and / or  
Ms. Supanee Triyanantakul CPA No. 4498 and/or  
Mr. Preecha Arunnara CPA No. 5800  
EY Office Limited  
33<sup>rd</sup> Floor, Lake Rajada Office Complex,  
193/136-137 Rajadapisek Road, Klongtoey District, Bangkok 10110  
Tel. (662) 264-0777 Fax. (662) 264-0789-90

**The Solicitor** : The Far East Law Office (Thailand) Co., Ltd  
121/74-75 RS Tower, 24<sup>th</sup> Floor  
Ratchadaphisek Road, Din Daeng Sub-district,  
Din Daeng District, Bangkok 10130  
Tel. (662) 641-3181-88, (662) 248-6711  
Fax. (662) 641-3189-90, (662) 248-6791

Dharmniti Law Office Company Limited  
No. 2/2 Phakdee Building, 2<sup>nd</sup> Floor  
Wireless Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330  
Tel. (662) 680-9777, (669) 093-89162-7  
Fax. (662) 680-9711

**Financial Advisor** : - None -

## 5.2. Other Important Information

History of default on principal or interest on debt instruments or default on loans from commercial banks, financial companies, credit foncier companies or financial institutions established by specific law for the past 3 years.

- None -

History of breach of conditions in the past 3 years

- None -

## 5.3 Legal Dispute

As of December 31, 2021, the Company had important legal dispute as follows;

### - Legal Dispute No.1

The injured parties sued government units and related persons in issuing building permits on the leased land of the Company's Mahadlek Residences Project and requesting the suspension of the construction of the said buildings by giving reasons about the impact of the construction of the project building on the environment.

On 14 September 2017, the Central Administrative Court had ordered to revoke the Environmental Impact Assessment (EIA) of the Company's project. On 26 September 2019, the Central Administrative Court rendered its judgment revoking the building construction permit of the Company's project. However, the Company filed an appeal with the Supreme Administrative Court against the judgment of the Central Administrative Court. The case is currently pending the decision of the Supreme Administrative Court.

As of December 31, 2021, the project is under construction suspension. However, the Company's management believes that there will be no damage to the value of the Company's project. The Company therefore did not record any allowance for diminution in the value of the project as at the end of the reporting period.

- Legal Dispute No.2

On 4 February 2022, JCK Utilities Company Limited ("Subsidiary") was sued for refunds and claims for damages by a business partner of an unrelated company, who made joint payment for settlement of the agreement to purchase land and factory building with the subsidiary. The claim was made for the refund amounting to Baht 23.5 million, together with interest of Baht 1 million, totaling Baht 24.5 million. The management of the subsidiary believes that such claim will have not a significantly impacting on the subsidiary.

**5.4 Secondary Market in case of Listing on the Stock Exchange of Other Countries**

- None -

**5.5 Financial institutions that are in constant contact (Only if the company issues debt securities)**

| Financial institutions                     | Company Abbreviation | Address  | Tel.        | Type of Dept Securities | Duty              |
|--|----------------------|--|-------------|-------------------------|-------------------|
| TMB Bank Thanachart Public Company Limited | TTB                  | No. 3000 Phahonyothin Road, Chomphon Sub-district, Chatuchak District, Bangkok 10900   | 02-299-2349 | Long-terms Debenture    | Securities Dealer |
| CIMB Thai Bank Public Company Limited      | CIMB                 | No. 44 Langsuan Road, Lumpini Sub-district, Pathum Wan District, Bangkok 10330   | 02-638-8000 | Long-terms Debenture    | Securities Dealer |
| Bangkok Bank Public Company Limited        | BBL                  | No. 333 Silom Road, Silom Sub-district, Bang Rak District, Bangkok 10500   | 02-231-4333 | Promissory note         | Payee             |
| Advance Opportunities Fund                 | AOF                  | 77 Robinson Road 06-03, Robinson 77 Singapore 068896   | -           | Convertible Debenture   | Investor          |
| Advance Opportunities Fund I               | AOFI                 | 77 Robinson Road 06-03, Robinson 77 Singapore 068896   | -           | Convertible Debenture   | Investor          |
| MBK Guarantee Company Limited              | MBKG                 | No. 444, 8 <sup>th</sup> Floor, MBK Center Building, Phayathai Road, Wang Mai Sub-district, Pathum Wan District, Bangkok 10330 | 02-853-7878 | Loan                    | Lender            |

**6. Corporate Governance Policy****6.1 Overview of Corporate Governance Policy**

The Board of Directors of JCK International Public Company Limited (hereinafter referred to as the “Board of Directors”) has adopted the principles of corporate governance (CG) and business conduct in “the Company’s Corporate Governance Manual and Business Conduct” as a guideline for directors, executives, employees and other related persons to comply with. The Board of Directors has periodically updated the CG principles as well as disseminated this and other information through the Company’s website at <http://www.jck.international>.

Therefore in 2021, the Board of Directors has reviewed the principles appeared in the Company’s Corporate Governance Manual and Business Conduct to comply with the 2017 Corporate Governance Code (“CG Code 2017”) of the Securities and Exchange Commission (“SEC”), and also provided and promoted knowledge and understanding to the Company’s employees about the principles in the Company’s Corporate Governance Manual and Business Conduct, which considered as one of the disciplines to all of the Company’s employees to comply. Moreover, according to the compliance of such principles of the Company’s personnel last year, there were not any disobedience occurred.

**6.1.1 Policy and Practices Relating to Board of Directors****(1) Criteria and procedure for nominating directors and the high-level management****(1.1) State of leadership and independence of the Board of Directors**

- The Board of Directors under the leadership of the chairman shall have the state of leadership and can control the operations of the management efficiently and effectively to achieve the targets that are the heart of the business of the Company by building and increasing the investment value to the shareholders, the government sectors, the people and the stakeholders.
- The Board of Directors should consist of independent directors with knowledge and capability, and should convene a meeting at least 4 times a month. The independent directors must access to the financial data and other business sufficiently to express opinions independently, keeping interest of those involved by attending the meeting regularly.
- The Company requires that Chairman and Managing Director be elected from members of the Board of Directors and that they are two different persons where roles and responsibilities relating to policy, performance evaluation and management are separated from each other. The Chairman of the Board shall have leadership skills. His

major responsibilities are to ensure that the Board is independent from the management, to adopt meeting agendas based on the Board's responsibility and to effectively chair the meeting of the Board of Directors and Shareholders by encouraging all directors to participate at the meeting.

**(1.2) Elements of the Board of Directors and the appointments**

- The Board of Directors be comprised of:  
Executive director,  
Non-executive director,  
Independent Director
- The Company aims to have the independent directors to be the most professional possible, but no less than 3 persons.
- The directors should come from the authorities in various fields to integrate the necessary ability, consisted of the persons knowledgeable in real estate development at least 3 persons, at least one legal-knowledgeable person, and one person in accounting and finance.
- Appointments of the directors should comply with the specific agenda, transparency and clarity by disclosing the number of years each director has been with the company in the annual report and the Company's website.

**(1.3) Appointments of other committees**

- The Audit Committee: The Board of Directors must appoint the Audit Committee as part of it from the directors at least 3 persons from which 1 person must have knowledge on accounting/finance. The Audit Committee must have the qualification on independence, according to the notice of the SET on the qualification and scope of operations of the audit committee to inspect/supervise the operations of the Company. It shall report on finance, internal control, selection of the auditor, and consideration on the conflict of interest, including reporting on governance of the business of the Audit Committee.

At present, the Company has 3 independent directors who are members of the Audit Committee, and all 3 of them have knowledge for reviewing the Company financial report and relevant experience as follows:

- |                 |                |                          |
|-----------------|----------------|--------------------------|
| 1. Mr. Prasong  | Vara-ratanakul | Audit Committee Chairman |
| 2. Mr. Chetawan | Anuntasomboon  | Audit Committee Member   |
| 3. Mr. Tawil    | Praisont       | Audit Committee Member   |

- The Corporate Governance, Nomination and Remuneration Committee: The Board of Directors on November 14, 2019 has appointed two independent directors as members of the Corporate Governance, Nomination and Remuneration Committee who are fully qualified according to the criteria of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) Re: Qualifications of independent directors. The two members of the Corporate Governance, Nomination and Remuneration Committee whose term of office is 3 years or until they are no longer the Company's directors are as follows:

- |                               |   |
|-------------------------------|---|
| 1. Mr. Prasong Vara-ratanakul | Corporate Governance, Nomination and Remuneration Chairman  |
| 2. Mr. Chetawan Anuntasomboon | Corporate Governance, Nomination and Remuneration Committee |

In order to effectively perform their duties and to achieve their responsibilities as assigned by the Board, the Corporate Governance, Nomination and Remuneration Committee shall hold the meeting at least 2 times a year to consider and conduct any matters to achieve their responsibilities.

In addition, the Board of Directors clearly states a policy that independent directors shall serve on the Board not longer than 9 years consecutively starting from the date of their first appointment. In case of re-appointment, the Board shall appropriately review towards the necessity.

## **(2) Characteristics/qualifications of the Board of Directors**

- The Board of Directors shall have the qualification and shall not have disqualification pursuant to the criteria under the Public Company Act.
- The Board of Directors will thoroughly review performance of directors sitting in the board of various companies. In other words, each director should not hold directorship in more than 5 listed companies and non-listed subsidiaries.
- The independent directors must have the qualifications concerning independency, according to the notification of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) Re: Qualification and scope of work of the audit committee, and can oversee the interests of all the shareholders equally, and no conflict of interest between the Company and the management, the major shareholders of other companies, which the management / major shareholders in the same group. Moreover, it shall attend the Board meetings and express opinions independently.



- According to the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) Re: Qualifications of an independent director, determine the structure of Listed Company's Board of Directors that shall be at least 3 members of the Board membership is made up of independent directors and the sub-committee should be an independent director. The Company is able to determine the qualifications of an independent director over the standard of SET and SEC.
- The independent directors must have the qualifications concerning independency from major shareholders, executives, and related person or director not being as executive of the Company, subsidiary, and associated companies. Those qualifications shall be in compliance with the rules and regulations regarding clause 16: qualifications of an independent director of Notification of the Capital Market Supervisory Board No. TorChor. 39/2016 Re: Application for and Approval of Offer for Sale of Newly Issued Shares as follows.

**Qualifications of independent directors of the Company**

1. Holding shares not to exceed 1% of the total shares with voting right of the Company, its parent company, subsidiaries, associates, major shareholders and controlling parties of the Company, provided that the shares held by the related parties of such independent director shall be included.
2. Not being or having never been an executive director, employee, staff, advisor receiving regular salary, nor controlling parties of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company, unless the foregoing status ended at least 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC). Such prohibition shall not include the case that such independent director used to be an official or advisor of the government sector that is the major shareholder or controlling party of the Company.
3. Not being the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters and children. The prohibitive persons also include spouses of daughters and sons of other directors, executives, major shareholders, controlling parties or the person who is in the process of nomination to be the director or the executive or controlling party of the Company or its subsidiary.
4. Not having or having never had business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholders, or controlling parties of any person having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company, unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

The business relationship mentioned under the first paragraph shall include any business transaction in ordinary business manner, rent or lease of the immovable property, transaction related to assets or services, or provision or receipt of the financial support regardless of being lend or borrowing, guarantee, provision of assets as collateral, and any otherwise similar conduct which causes liability or obligation to the Company or counter party, provided that such liability is equal to or exceed 3% of the net tangible assets of the Company or equal to or more than Baht 20 million, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction to be applied mutatis mutandis. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

5. Not being or having never been the auditor of the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company and is not the significant shareholder controlling parties, or partners of the auditing firm which employs an auditor to the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company, unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Not being or having never been the professional service provider, including a legal service or financial advisor receiving service fees for more than Baht 2 million per year from the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties, and is not the significant shareholder, controlling parties, or partners of the above mentioned service firms, unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
7. Not being the director who is nominated to be the representative of directors of the Company, major shareholders, or any other shareholder related to the major shareholders.
8. Do not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor receiving regular salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the Company or its subsidiaries.
9. Not being in any character which may hinder to express independent opinion regarding the business operation of the Company.

Such independent director may be assigned by the Board of Directors to make decision in respect of collective decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company.

**(3) Main duties and responsibilities of the Board of Directors and Sub-Committees****(3.1) Scopes of authority of the Board of Directors**

1. To review and approve actions as required by the laws.
2. To regularly review the managing director's performance; to set managing director's remunerations.
3. To determine the business's vision and be responsible for the business's operation results and performances of the management by promoting attentiveness and prudence.
4. To review and approve major strategies and policies, objectives, financial goals, work plans and to regularly monitor the management for their compliance.
5. To set up a reliable accounting system, financial reporting and auditing as well as a process that evaluates the soundness of an internal control system and an internal auditing system to ensure their efficiency and the effectiveness of the Company's risk management, financial reporting and monitoring practices, at least annually as well as to disclose the review results in the annual report.
6. To supervise and resolve problems of conflict of interest among stakeholders.
7. To oversee the Board of Directors' practices to be in line with corporate governance and ethical work practices.
8. To be authorized to approve investment items and expenses in projects exceeding Baht 500 million in value which, however, shall be aligned with relevant regulations of the SEC, the Capital Market Supervisory Board and the SET.

The Executive Board of Directors shall be empowered to approve investment items and expenses in projects for a value not exceeding Baht 500 million, while Managing Director is authorized to approve investment items and expenses not exceeding Baht 100 million in value.

9. The Board shall ensure that the management regularly monitors, evaluates and makes reports on the company's financial status to the Board. The Board and the management shall ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.
10. The Board shall ensure that it does not consciously approve any transactions or propose any transactions for shareholders' approval which could negatively affect business continuity, financial liquidity or solvency.
11. In the event of financial risk or difficulties, the Board shall enhance monitoring of the affairs of the Company and duly consider the Company's financial position and disclosure obligations.

12. The Board shall ensure that the Company has sound financial mitigation plans considering the stakeholders' rights, including creditor rights. The Board shall monitor the management's handling of financial risk or difficulties and seek regular reports.
13. The Board shall ensure that any actions to improve the Company's financial difficulties, by any mean, shall be prudently made.

### **(3.2) Scopes of authority of the Sub-Committees**

The Board of Directors has established 2 Sub-Committees, namely the Audit Committee and the Corporate Governance, Nomination and Remuneration Committee with important responsibilities as follows:

#### **(3.2.1) Scopes of authority of the Audit Committee**

1. To review the Company's financial statements to ensure that it reflects the Company's actual financial status.
2. To review that the Company has put in place an appropriate and effective internal control system and internal audit; to approve an appointment, transfer, termination and performance evaluation of head of the Internal Audit Department and to review the Internal Audit Department's independence towards its performance and reporting tasks as well as its line of command.
3. To review the Company's compliance with the laws on securities and exchange, the SET's requirements or other laws relating to the Company's business.
4. To review, select, nominate, appoint and propose the auditor's fee and to review the auditor's independency in case the Company's auditor provides other non-audit services which could lead to its lack of independence; and to organize a meeting with the auditor without the presence of the management at least once a year in order to seek opinions in various matters from the auditor.
5. To review compliance and information disclosure in the case of connected transactions or any transaction with a potential conflict of interest for the purpose of accuracy and comprehensiveness.
6. To prepare the Audit Committee's annual corporate governance report to be signed by Chairman of the Audit Committee. This report will be published in the Annual Report and sent to every shareholder. The report will feature the number of the Audit Committee's meetings being held during the year,

meeting attendance of each of the Committee's members and their opinions in the following issues:

- Accuracy, comprehensiveness and reliability of the Company's financial statements;
  - Adequacy of the Company's internal control system;
  - Legal compliance with the laws on securities and exchange, the SET's requirements or other legislations relating to the Company's business;
  - The auditor's suitability;
  - Transactions with a potential conflict of interest;
  - Overall opinion or observation that the Audit Committee has received from performing its duty based on the Charter;
  - Other information that shareholders and investors should learn based on the roles and responsibilities entrusted by the Board;
7. To perform other duties as designated by the Board upon the Audit Committee's approval.

### **(3.2.2) Scopes of authority of the Corporate Governance, Nomination and Remuneration Committee**

The Corporate Governance, Nomination and Remuneration Committee has a duty to recommend, supervise and review corporate governance practices of the Company as well as nominate those qualified as the Company's directors to replace directors resigning on rotation or in other cases. The Committee also reviews an evaluation system of performance of the Board and other committees. It is responsible for a succession plan of the Company's managing director, which will then be reported to the Board for approval or for proposing to the Shareholders' Meeting, as the case may be. The Committee also studies changes and trends of director's remunerations and recommend it as a policy to keep quality people with the Company while acting as an incentive to help expanding the Company. Its jobs are as follows:

1. To review corporate governance policies and practices and business ethics to see if they are sound and adequate; and to improve and update such policies for continuity to present.
2. To monitor the compliance of a corporate governance policy and business ethics by the Board, the management and staff according to the Company's practices and policies.

3. To promote compliance with corporate governance policies and practices and business ethics for continued effect and to ensure that it fits with the Company's business.
4. To recommend the Company, the Board, the management and workgroups on corporate governance.
5. To determine how to nominate director or managing director systematically and transparently.
6. To nominate an appropriate person to be as a director or a managing director in case of vacancy for further recommendation to the Board or the Shareholders' Meeting, as the case may be.
7. To recruit future directors to replace those whose term is expired for further recommendation to the Board or the Shareholders' Meeting.
8. To nominate a director qualified as a member of the sub-committee for recommendation to the Board in case of vacancy.
9. To recommend how to evaluate performances of directors, the Board and the sub-committee and to follow up with the evaluation.
10. To review and propose amendments to the scopes of authorities and responsibilities of the Corporate Governance, Nomination and Remuneration Committee and to determine its remunerations that suit each situation.
11. To recommend any guideline on remunerations and the method to pay remunerations or other benefits to the Board, the sub-committees and the managing director with fair and reasonable criteria and to propose it to the Board of Directors for consideration.
12. To perform other functions as entrusted by the Board.

#### **(4) Role and Responsibilities for Chairman**

The Chairman is responsible for leading the Board of Directors. The Chairman's duties should at least cover the following matters:

- To oversee, monitor, and ensure that the Board efficiently carries out its duties to achieve the Company's objectives.
- To ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- To set the board meeting agenda by discussing with the managing director and the Company Secretary and to ensure that important matters should be included in the agenda.

- To allocate sufficient time for the management to propose topics and for the directors to debate important matters thoroughly, and to encourage the directors to exercise careful contemplation and with independent judgement.
- To promote constructive relations between executive directors and non-executive directors, and between the Board and the management.

**(5) Qualifications and responsibilities of Company Secretary**

The Board of Directors shall appoint a Company Secretary to oversee activities of the Board and to ensure that both the Board and the Company comply with relevant laws, rules and regulations. The Company Secretary is to oversee the meeting of the Board of Directors and the shareholders as well.

**Qualifications of Company Secretary**

- Understand the Company's business and related roles and responsibilities of Company Secretary's functions, including having fundamental knowledge in principles of laws and regulations of governing agencies, the laws on public company and the laws on securities and exchange. The Company Secretary is to seek knowledge from experts or legal advisors to strengthen his/her understanding.
- Being knowledgeable; understand and support the Company's operation to achieve the purposes under the principle of corporate governance and best practices on corporate governance.
- Refrain from seeking personal interest from the Company's business opportunities; be able to keep the Company's secrets; hold morale and ethic and take into consideration of all stakeholders; and refrain from action that could defame the Company's reputation and harm its image.
- Have excellent interpersonal skills; able to coordinate with both internal departments and external agencies.

**Roles and Responsibilities of Company Secretary**

- Give basic consultation and advice to the Board of Directors in respect of laws, orders and regulations of the Company, as well as to ensure proper and consistent compliance; as well as to make reports on any significant change in matter of laws to directors.
- Organize the shareholders' meeting and the Board's meeting in accordance with the laws, articles of association and proper practice;

- Prepare and keep documents of the Board of Directors and shareholders; namely registration of directors, invitation letter to attend the meeting of the Board and Shareholders, minutes of the meeting of the Board and Shareholders, annual report and quarterly financial statements;
- Keep the reports of interests filed by the directors or executives and make submission as required by laws;
- Have information and IT reports under his/her responsibility to be disclosed to governing agencies in compliance with the laws and the Company's rules and regulations on information disclosure.
- Contact and communicate with general shareholders to keep them informed of various shareholders' rights and the Company's news;.
- Conduct any other function as entrusted.

The Company has appointed Ms. Siriporn Tamenant, who has proper qualifications as the Company Secretary on November 14, 2007.

|                            |  |
|----------------------------|--|
| <b>Name</b>                | Ms. Siriporn Tamenant  |
| <b>Title</b>               | <ul style="list-style-type: none"> <li>- Director</li> <li>- Executive Director</li> <li>- Director Deputy Managing Director, Administration and Information Technology,</li> <li>- Company Secretary</li> </ul>   |
| <b>Education</b>           | <ul style="list-style-type: none"> <li>- Master of Arts in English Naresuan University</li> <li>- Bachelor of Science in Business Administration (Finance) Roosevelt University, Chicago, U.S.A.</li> </ul>  |
| <b>IOD Training course</b> | <ul style="list-style-type: none"> <li>- Ethical Audit Committee Program (ELP), Class 2/2015</li> <li>- Advanced Audit Committee Program (AACP), Class 16/2014</li> <li>- Director Accreditation Program (DAP), Class SEC/2014</li> <li>- Role of the Chairman Program (RCP), Class 34/2014</li> <li>- Effective Minute Taking (EMT), Class 8/2007</li> <li>- Company Secretary Program (CSP), Class 22/2007</li> <li>- Role of The Compensation Committee (RCC), Class 1/2006</li> <li>- Risk Management Program for Corporate Leaders (RCL), Class 5/2016</li> </ul> |

**(6) Procedures on the Board meetings and the receipts of documents and data**

- The office of the managing director to act as the secretary of the Company to hold board meetings, the shareholders' meetings, and to give advices on the various laws that the Board of Directors should know.



- The Company shall set the Board meeting schedule and agenda in advance and notify each director of the schedule so that each member of the Board can manage time to attend the meetings.
- The Board of Directors should dedicate and pay attention to the Company fully and shall be ready to attend the meetings regularly at least once every 3 months, and as required in special circumstances, but not less than 6 times a year. It requires at least one half of the total directors to attend the meeting in order to achieve the quorum. Absence from the Board meetings more than 3 consecutive times without reasonable causes shall be regarded as not wanting to become the Company's director anymore.

If the meetings are not monthly, the Company should submit to the Board, for the month of not having a meeting, a monthly report on the Company's performance so that it can monitor the management's performance continuously and promptly.

- No less than two-thirds of all directors shall be present at the meeting of the Board of Directors when a resolution is adopted,
- All directors should attend at least 75% of all the numbers of the Board meetings to be held during the year.
- The Chairman of the Board should give approval on the meeting agenda by consulting with the managing director; however, the managing director should consider a request by some directors to put other important matters in the agenda in the next meeting.
- The Chairman of the Board should give confidence that the Board of Directors to allocate the time sufficiently for the management to present documents and information for discussion and adequately for the directors to discuss the important issues.
- The Chairman of the board should have the clear measure for the directors to receive the information involved in advance with sufficient time to study and decide correctly on the matters at each board meeting. Relevant documents for the meeting shall be sent to each director at least 5 business days in advance of the meeting.
- The Board of Directors can access to additional information by requesting documents, data, consultation and various services concerning the operations from the high-level management or the Company Secretary and may seek independent opinions from outside consultants, as necessary, to be supplemental in each meeting, at the Company's expense.
- The minutes of the Board meetings shall be prepared for clarity and reference.

## **(7) Evaluation of the Board of Directors**

### **Criteria for the evaluation of the Board of Directors**

- The Board of Directors should prepare the self-evaluation form to be used as the framework for examination of the performance of the directors constantly.

- The Board of Directors should set its working standards with criteria and evaluation on its performance in order to compare with the criteria periodically.
- The managing director should participate in explaining the expectations from the Board of Directors.
- The Board should appoint an external consultant to facilitate a board assessment at least once every 3 years, and assessment results should be disclosed in the annual report.

#### **The process and the evaluation of the Board of Directors**

- The Board of Directors shall set up an evaluation form where the Board and the sub-committees shall conduct a self-evaluation on a group basis 1 time a year by using a reference from the evaluation form of the SET and the Institute of Directors (IOD) as a framework to check and improve the performances of the directors. The name of evaluated directors and the results derived from the evaluation will not be disclosed. The evaluation form of the entire Board consists of 4 topics as follows:
  1. Structure of the Board
  2. Strategy and directions of the Company
  3. Monitoring and evaluation of the management
  4. Responsibilities of the Board
- To evaluate performances of the Board of Directors, the self-evaluation surveys of each individual director will be gathered. Results of the evaluations in “appropriate” and “to be improved” columns will be added up and divided by the total number of directors conducting the self-evaluation to come up with a percentage from all directors to present a summary of whether each of the topics is appropriate or to be improved.

#### **(8) Development of the Board and the management**

- The Board of Directors encourages and facilitates the directors, executives, Company Secretary and related parties in order to attend coursework training to be organized by the Thai Institute of Directors (Thai IOD), the Stock Exchange of Thailand (SET), or other independent agencies to improve their performances. Whenever a new director is appointed, the management will provide documents and information to be beneficial to his/her performance, including to organize a session to introduce the Company’s nature of business and direction to the new director.
- The Board requires Managing Director to regularly report a succession plan as well as to appoint a successor to replace executives at various levels in case they cannot perform their duty. All

the information has already been stated in the Company's HR policy and HR development plan annually.

**(9) Separation of duties and responsibilities between the Board of Directors and the Management**

The Company has clearly defined separate and respective roles, duties and responsibilities of the Company's Board of Directors and those of the management as follows:

- The Company's Board of Directors has the role of overall governance and oversight of the Company's business operations so as to ensure that they are in accordance with all legal requirements as well as the corporate objectives and regulations of the Company as approved by the Board Meeting together with the Company's policy on corporate governance, where by the Board of Directors need to make decisions with due care, integrity and in an honest manner for the maximum benefit of the shareholders.
- The Executive/Management Group has the duties and responsibilities to undertake normal operating activities of the Company based on policies determined by the Board, so as to achieve the established goals and corporate strategies.

**6.1.2 Policy and Guidelines on Shareholders and stakeholders**

**Rights of the shareholders**

The Board of Directors has set a policy on the rights of shareholders in the Good Corporate Governance Policy Section 6 as detailed below:

The Company recognizes the shareholders' rights and avoids any action that violates those rights as well as encourages the shareholders to exercise their right for controlling the Company by appointing the Board of Directors to act as their representatives to make decisions on any significant corporate changes.

- The Board of Directors publicly discloses policies to encourage all shareholders, especially institutional ones, to attend the Company's shareholders' meeting.
- The Company provides to the shareholders, in advance of meetings, with the date, time, venue, and all agenda items with the rationale or explanation for each agenda item or resolution in the notice of the annual general meeting or extraordinary general meeting or circulars and/or the accompanying statement.
- The chairman of the meeting should allocate the time appropriately and promote expression of opinions and inquiries at the meeting and allow the shareholders to send their questions to the

Company prior to the meeting date pursuant to the determined criteria for accepting advance questions. The Company also posts the process for submitting the advance questions on the Company's website.

- The Board of Directors encourages the shareholders to specify their votes and allows the shareholders to appoint at least 1 independent director to be appointed as their alternative proxy.
- The Board of Directors supports the Company to use technology in the shareholders' meeting, including in recording attendee registration, printing ballots and processing voting results for fast, precise and accurate meeting process.
- Each director, especially the Chairman of the Board/chairman of the committees should attend the meetings of the shareholders to answer the questions by the meeting attendants.
- The shareholders should have the right to vote for each item proposed, and the Board of Directors should not bundle many unrelated businesses for approval in one resolution. In addition, there will be separate voting in each item where there are several items into the same vote; for example, election of directors.
- The Company appoints an independent party of scrutineers/inspectors to count and/or validate votes at the annual general meeting or extraordinary meeting of shareholders. This scrutineer shall be disclosed at the meeting and recorded in the minutes.
- For the sake of transparency and inspection, the Board encourages the use of voting cards for important agenda items such as related party transactions or disposal of significant assets.
- The Board make publicly available on the Company's website by the next working day the result of voting during the annual general meeting or extraordinary general meetings of shareholders for all resolutions.

#### **Equitable treatment of shareholders**

The Board of Directors has set a policy on the rights of shareholders in the Good Corporate Governance Policy Section 7 as detailed below:

The Board of Directors provides convenience at the shareholders' meetings with equal treatment for all, and nothing shall limit the information of the Company and the attendance into the meetings of the shareholders.

- The Company shall release its annual general meeting's notice, with detailed agenda and explanatory circulars from the Board to the Stock Exchange of Thailand and disseminate them through the Company's website at least 30 (thirty) days before the date of the meeting. Moreover, the Company's notice of shareholders' meeting will be fully translated into English and published at the same time as the local language version. The Company will deliver an invitation letter to attend the meeting to shareholders at least 7 days before the meeting date

or as required by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

- The Company shall inform the shareholders of the meeting procedures and voting criteria, including the voting rights attached to each class of shares. If a shareholder who is in a management position shall not add any agenda item which is not being notified in advance, especially if it is an issue that will require shareholders to spend a good deal of time to study before deciding.
- The Board pre-determines the criteria on allowing minority shareholders to clearly propose any agenda item in advance of the meeting date, in order to indicate equitable and transparent measure whether or not such proposed item will be added. The Board also establishes procedures for the nomination of director candidates by minority shareholders via the Company's nomination committee 3 to 4 months prior to the meeting date, together with supporting information on the candidates' qualifications and their consent.
- The Board allows the shareholders to vote on individual nominee in election of directors.
- The Board has adopted a policy that requires any director having an interest in any agenda to refrain from attending the meeting in that agenda. The directors are to report their interests at least before the agenda starts which shall be recorded in the minutes of the Board of Directors' Meeting.
- The Company has a policy to continue executing connected transactions carried out at present in the future, subject to the corporate governance principle where conditions of the transactions will be aligned with ordinary course of business and at a market price which can be comparable to a price offered to the third party. In addition, the Audit Committee will take part in the process to review the soundness of the connected transaction's price and its rationality.
- The Board of Directors will comply with the laws on securities and exchange as well as regulations, announcements, orders or requirements of the Office of the Securities and Exchange (SEC), the Capital Market Supervisory Board and the Stock Exchange of Thailand (SET) when executing a connected transaction possible taking place in the future. The Board will also comply with requirements to disclose information of connected transactions to be happened in the future which will remain relatively the same as present. However, the volume may be subject to change based on necessity and suitability to the business of the group of the Company.
- If the Company or its subsidiaries execute a connected transaction with a person who may have a conflict of interest, a stake holding or a conflict of interest in the future, the Company will have the Audit Committee to express its opinion regarding the transaction's necessity and soundness. If the Audit Committee doesn't have any expertise to review such connected transaction, an independent expert or an auditor of the Company will provide an opinion instead for the Board's or the shareholders' decision-making process, as the case may be. The

Company will disclose the connected transactions in notes to the financial statements as audited or reviewed by the Company's auditor.

- The Board establishes written procedures concerning the use and protection of inside information and communicates them to everyone in the Company to follow. Every director and executives regularly submit to the Board a report on their ownership of the Company's shares and this information will be disclosed in the Company's annual report.

### **Role of the stakeholders**

The Board of Directors has set a policy on the rights of shareholders in the Good Corporate Governance Policy Section 8 as detailed below:

- The Board of Directors is aware and gives confidence that the stakeholder of the Company will be treated carefully.
- The Board of Directors should report a non-financial data that shows the stakeholders are taken care and considered well in making a decision of the Company.
- The Board of Directors should fully specify who the stakeholders of the Company are and rank their priority for consideration without any mistake or failure in business operation at the end.

The roles of the stakeholders of the Company are segregated as follows:

#### **1. Responsibility for the shareholders**

The Company is determined to be a good representative of the shareholders in doing business in order to create highest satisfaction for the shareholders, considering the value growth of the Company in the long term and a good return on investment continuously at suitable levels. It shall carry on business transparently and create confidence of the accounting system. To comply with said principles, the Company embraces these guidelines:

##### **1.1 The Company's growth of value in the long term;**

- It performs the duty with integrity and fairness to the major and minor shareholders for overall maximization.
- It manages by using the knowledge, ability and skill in full capacity, including carefulness and prudence in the decision-making in any cases.
- It shall not do anything to cause conflict of interest to the Company.

##### **1.2 Disclosure of information**

- It reports the status and the future trend of the Company to the shareholders equally, regularly and fully as it actually happens.
- It shall not seek any benefit for self-interest and to any involved persons, using any information of the Company not being disclosed to the public.

- It does not disclose any confidential data to outsiders, which may cause adverse effects to the Company.

## **2. Relationship with the customers**

The Company is determined to create satisfaction and confidence with the customers to receive the good products and service with the quality at the suitable price, including maintaining good and sustainable relations, so it has set the guidelines as follows:

- 2.1 Producing quality goods and service with determination to develop the standard of the goods to have higher quality continuously, and revealing the information on the goods and service correctly and completely without distortion of facts and keeps up-to-date.
- 2.2 Providing warranty on the goods and service under suitable conditions.
- 2.3 Introducing the system for the customers to make complaint on the goods and the service, and operating the best for the customers to receive quick response.
- 2.4 Not making excessive profit compared with the quality of the goods or service in the same type or kind, and not specifying any trade conditions that are unfair to the customers.
- 2.5 Complying with the terms and conditions provided to the customers strictly, and if it cannot be done, notifying the customers in advance to consider a joint correction.
- 2.6 Keeping the confidentiality of the customers seriously and constantly, including not using for self-interest and for the involved persons illegally.

## **3. Relations with its trade partners, competitors and creditors**

The Company shall consider the equality and integrity in the business operations and the joint interests with its trade partners in compliance with the laws and rules strict manner and good ethics in the business operations. While the business is in competition, the Company shall adhere to the rules on good competition, and the Company will comply with guidelines and fairness in borrowing money from the creditor and repayment. In order to comply with said principles, the Company has specified practical guidelines as follows:

- 3.1 Relations with the trade partners
  - It shall not demand or receive or pay the benefit of any kind in bad faith to or from its trade partners.
  - It shall comply with the existing conditions strictly with partners.
  - In case of non-compliance with the conditions, it shall notify the trade partners in advance to jointly find the guidelines on solving the problems with justification.
- 3.2 Relations with the trade competitors
  - It shall comply with the rules on good competition.

- It shall not try to destroy the reputation of the competitor by slandering with baseless allegation.

### 3.3 Relations with the trade creditors

- It shall maintain and comply with the conditions with the creditors strictly on repayment and care of securities, guarantees and other conditions, including not using the funds received from loans to be contrary to the objective in the agreement made with the lenders.
- Report the financial status to the creditors with honesty.
- Report to the creditors in advance if it cannot comply with the obligations in the contract, and try to find guidelines on a joint solution.

## 4. Responsibility for the employees

The Company shall regard the employees are a factor to its success, so it determines to develop, create culture and good atmosphere, including promote teamwork for confidence of the employees and that they can do sustainable work with the Company. The Company specifies the guidelines as follows:

- 4.1 The employees to receive fair remuneration in the form of salaries and/or working compensation, including the various fringe benefits.
- 4.2 To provide cares for the working condition with safety for the life and property of the employees.
- 4.3 To appoint and transfer, including to present rewards and make disciplinary action with equality, honesty and justification based on the knowledge, ability and suitability, including the conduct or performance of the employees.
- 4.4 To do priority on development and transfer of knowledge and ability of the employees by giving opportunity to the employees widely and regularly.
- 4.5 To listen to the ideas and propositions from the employees at all levels equally and equitably.
- 4.6 To comply with the laws and regulations concerning the employees strictly.
- 4.7 To manage by avoiding anything unfair, which may have effects on the duty stability of the employees.
- 4.8 To treat the employees with politeness and respect equally for everyone.
- 4.9 To encourage the employees to have an opportunity to notify on illegality of the Company by reporting to the superior or the audit committee.

## 6.2 Business Ethics

Business Ethics appears in Attachment 5 of the Company's Annual Report (Form 56-1 One Report) Year 2021.



### **6.3 Important changes and developments in the policy guidelines and systems of corporate governance in the past year**

The Board of Directors has reviewed the Good Corporate Governance Manual and the Company's Code of Conduct annually. For the year 2021, the Board of Directors' meeting No. 9/2021, dated November 15, 2021, has reviewed and improved Good Corporate Governance Manual and Company Code of Conduct by referring to the principles of Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission (SEC), which has been implemented in accordance with the Company's business operations.

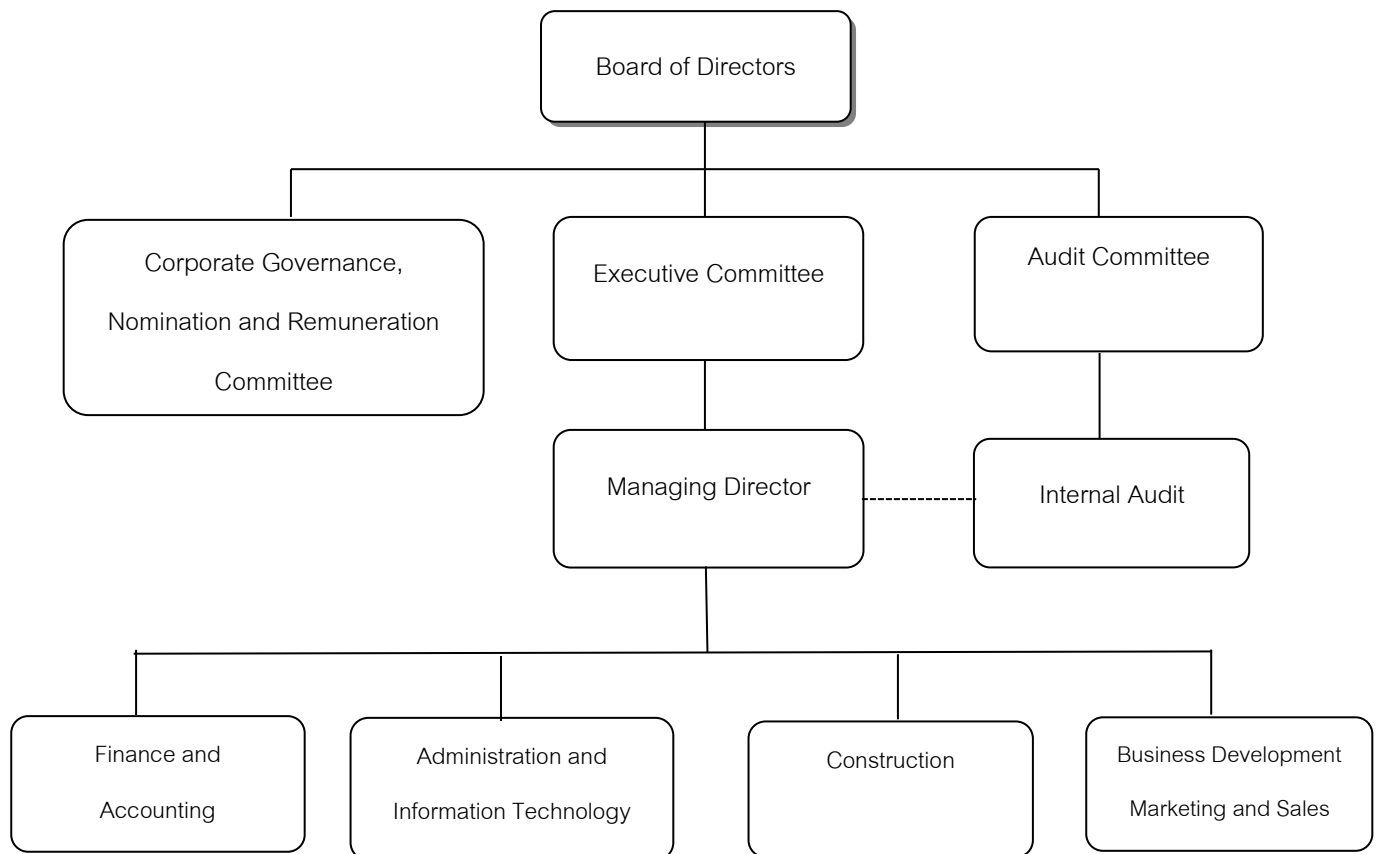
The results of Corporate Governance in 2021 are shown as follows:

- The Company received a very good rating (83% from 100 points) from the Corporate Governance Report of Thai Listed Companies 2021 operated by the Thai Institute of Directors Association.
- Assessment of the quality of the 2021 Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association, the company received 97.5 points out of 100 points.

## 7. Corporate Governance Structure and Important Information Concerning of the Board of Directors, Sub-Committees, Executives, Employees and Others

### 7.1 Management Structure

As of December 31, 2021, the organizational structure and lines of work within the organization are as follows:



Remark : The Company's internal auditor has assigned to the Non-Juristic Body of Person, responsible for all function of work and others related to the assignment from the Audit Committee.

## 7.2 Information about the directors

### 7.2.1 Composition of the Board of Directors

The Board of Directors consists of 9 members who are experts in various fields to combine the necessary knowledge and skills, which consist of at least 3 people with knowledge of real estate business, at least 1 person with legal knowledge and at least 1 person with accounting and finance knowledge, which are related and support all company business. The term of office is 3 years, divided into 4 directors who participate in the management (or equal to 44.44%), 2 non-executive directors (or equal to 22.22%) and 3 independent directors (or equal to 33.33%) conforming to the rules of the Office of the Securities and Exchange Commission which stipulates that listed companies must have independent directors greater than or equal to one-third of the total number of directors in order for the management structure to be properly balanced.

### 7.2.2 Individual Committee Information

As of December 31, 2021, the Company has 9 directors as follows:

| Name - Surname                | Position   | Date of appointment as a director                      |
|-------------------------------|--|--|
| 1. Dr. Apichai Taechaubol     | Chairman<br>Executive Committee Chairman   | March 14, 2018<br>January 20, 2012                     |
| 2. Mr. Prasong Vara-ratanakul | Independent Director<br>Audit Committee Chairman<br>Corporate Governance, Nominating and Remuneration Committee Chairman | April 30, 1999   |
| 3. Mr. Chetawan Anuntasomboon | Independent Director<br>Audit Committee Member<br>Corporate Governance, Nomination and Remuneration Committee Member     | February 28, 2018<br>May 14, 2019                      |
| 4. Mr. Tawil Praisont         | Independent Director<br>Audit Committee Member   | August 14, 2019  |
| 5. Mr. Tseng, Kuo-Chan        | Director   | August 14, 2019  |
| 6. Mr. Gumpol Tiyarat         | Director   | February 1, 2002                                       |
| 7. Mr. Anukul Ubonnuch        | Director<br>Executive Director<br>Managing Director  | February 1, 2002<br>February 27, 2017<br>April 5, 2019 |
| 8. Mr. Krittawat Taechaubol   | Director   | April 11, 2014   |

| Name - Surname            | Position  | Date of appointment as a director                          |
|---------------------------|---|--|
|                           | Executive Director<br>Director Deputy Managing Director   | January 1, 2019  |
| 9. Miss Siriporn Tamenant | Director<br>Executive Director<br>Director Deputy Managing Director, Administration and Information Technology<br>Company Secretary | June 10, 2019<br><br>May 16, 2016<br><br>November 14, 2007 |

The directors authorized to sign on behalf of the Company according to the Company affidavit are two directors signing with the company's seal.

#### Roles and responsibilities of the Chairman of the Board of Directors

The Chairman plays the leading role of the Board. The responsibilities of the Chairman of the Board are as follows:

- Supervision, follow up and ensure that the performance of duties of the Board of Directors is efficient and achieve the objectives and main goals of the organization
- Ensuring that all directors are involved and participate in fostering an ethical corporate culture and good corporate governance
- Determining the agenda of the Board of Directors meeting by discussing with the Managing Director and Company Secretary and has measures to ensure that the important matters are included in the meeting agenda.
- Adequate time is allocated for management to present any matters and enough for directors to carefully discuss important issues in general and encouraging directors to use prudent discretion and freely express their opinions.
- Strengthening of good relationship between executive directors and non-executive directors and between the Board of Directors and management team.

#### Scope, powers, duties and responsibilities of the Board of Directors

1. Review and approve any action required by law
2. Regularly assess the performance of the Managing Director and set the remuneration of the Managing Director
3. Determine the vision of the Company and responsible for the operating results and the performance of the executives with the intention and caution in the operation.

4. Review and approve key strategies and policies including objectives, financial goals and various plans as well as to monitor the management to comply with the established work plans on a regular basis.
5. Ensure that the accounting system, financial reporting and auditing are all reliable as well as to monitor that there is such process for assessing the appropriateness of internal control and internal audits for efficiency and effectiveness including the Risk management and financial reporting to be follow up at least once a year which then will be disclosed in the Annual Report.
6. Monitor and manage conflicts of interest that may arise between stakeholders of the Company.
7. Ensure that practices of the Board of Directors are consistent with good corporate governance guidelines and to operate in an ethical manner.
8. Have power to consider and approve the transactions and investment expenses in various projects in the amount of more than 500 million Baht or more. This must be in accordance with the relevant rules of the Office of the Securities and Exchange Commission, Capital Market Supervisory Board and the Stock Exchange of Thailand.

In this regard, the Executive Committee has the power to consider and approve the transactions and investment expenses in various projects in the amount not exceeding 300 million Baht and the Managing Director has the power to approve transactions and investment expenses in various projects in the amount not exceeding 100 million Baht.

9. The Board of Directors will ensure that the management has monitored and assessed the financial status of the business and reports to the Board on a regular basis. The Board and the management will work together to find a solution as soon as there are signs of financial liquidity problems and ability to pay debt.
10. To approve any transaction or to propose an opinion to the shareholders' meeting for approval. The Committee will take action when ensuring that such transactions will not have impact on the continuity of the Company's business operations, financial liquidity and the ability to pay debt.
11. In the event that the Company tends to be unable to pay its debt or has financial difficulties, the Board will closely monitor and supervise the business to conduct the business with cautions and comply with the disclosure requirements.
12. The Board will oversee the Company to set up a plan to resolve the financial problems by taking into account fairness to all stakeholders including creditors as well as monitor and follow up the resolving of the problems by having the management report the status regularly.
13. Consideration of any decision of the Board of Directors in solving the Company's financial problems which must be reasonable in any way.

### 7.3 Information of the Committees

The Company's management structure consists of the Board of Directors and 3 sub-committees consisting of (1) the Audit Committee, (2) the Good Corporate Governance, Nomination and Remuneration Committee, and (3) the Executive Committee. The details are as follows.

#### 7.3.1 The Audit Committee

The Board of Directors has specified that the Audit Committee be established as part of the committee appointed from at least 3 independent directors of the Company and at least 1 person must have knowledge in accounting / finance. The Audit Committee must have qualifications related to independence according to the Stock Exchange of Thailand (SET) notification regarding qualifications and the scope of work of the Audit Committee to perform audits / supervise the operations of the Company, maintain of financial reports, internal control system, selection of auditors, consideration of conflicts of interest, including the preparation of the Audit Committee's Corporate Governance Report. At present, 3 independent directors are audit committee members and all 3 are knowledgeable in reviewing financial statements.

As of December 31, 2021, the Company has 3 Audit Committee consisting of:

| Name                          | Position                 |
|-------------------------------|--------------------------|
| 1. Mr. Prasong Vara-ratanakul | Audit Committee Chairman |
| 2. Mr. Chetawan Anuntasomboon | Audit Committee Member   |
| 3. Mr. Tawil Praisont         | Audit Committee Member   |

#### Scope, powers, duties and responsibilities of the Audit Committee

1. Review the Company's financial statements in order to ensure that the financial statements show their actual financial position.
2. Review an internal control system and internal audit to be appropriate and efficient. To approve the appointment, transfer, termination of employment, and to consider the merit of the head of the internal audit unit and consider the independence of the internal audit unit from performing duties and reporting including the line of command of this unit.
3. Review the Company's compliance with the Securities and Exchange Act., regulations of the Stock Exchange of Thailand or laws related to the Company's business.
4. Consider, select, nominate, appoint, propose auditor's remuneration and consider the independence of the auditors in the event that the Company's auditors provide services other than non-audit services that may cause a lack of independence including having a meeting with the auditor without the management attending the meeting at least 1 time per year to seek opinions from the auditors on various matters.

5. Consider in accordance with the relevant rules and regulations including disclosure of information in the event of a connected transaction or items that may have conflicts of interest to be accurate and complete.
6. Prepare the Corporate Governance Report of the Audit Committee annually and signed by the Chairman of the Audit Committee. The report will consist of Reporting the number of audit committee meetings and attendance of each audit committee member including the opinions of the Audit Committee on the following issues:
  - Accuracy, completeness and reliability of the Company's financial reports.
  - Adequacy of the Company's internal control system.
  - Compliance with Securities and Exchange Laws and the Stock Exchange of Thailand requirements or laws related to the company's business.
  - Suitability of the auditor.
  - Items that may have conflicts of interest.
  - Overall opinions or observations received by the Audit Committee in the performance of its duties in accordance with the Charter.
  - Other items that shareholders and general investors should be aware of according to the scope of duties and responsibilities assigned by the Board of Directors.
7. Perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

### 7.3.2 Corporate Governance, Nominating and Remuneration Committee

According to the Board of Directors' meeting on November 14, 2019, the Company's independent directors were appointed as the Corporate Governance, Nomination and Remuneration Committee, both of whom were qualified according to the criteria set by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) has stipulated the qualifications of independent directors in all respects. The term of office is 3 years or until the Company's directorship is retired.

As of December 31, 2021, the Company has 2 members of the Corporate Governance, Nomination and Remuneration Committee consisting of

| Name                          | Position   |
|-------------------------------|--|
| 1. Mr. Prasong Vara-ratanakul | Corporate Governance, Nominating and Remuneration Chairman |
| 2. Mr. Chetawan Anuntasomboon | Corporate Governance, Nominating and Remuneration Member   |

### Scope, powers, duties and responsibilities of the Corporate Governance, Nominating and Remuneration Committee

The good Corporate Governance, Nominating and Remuneration Committee is responsible for proposing, reviewing and supervising the work related to the good corporate governance and to select the appropriate person to be appointed as the Company's director to replace the directors who have retired by rotation or in other cases. The responsibilities also include to conduct a review of the performance appraisal system of the Board of Directors and all the sub-committees and to make a succession plan for the Managing Director of the Company and report to the Board of Directors for approval or to propose to the shareholders' meeting, as the case may be. It is also responsible for studying, considering and monitoring changes and trends in the remuneration of the Board of Directors in order to propose an attractive compensation policy that is an incentive to manage the Company's business to progress as well as being able to keep the talented and good people to work with the Company as follows:

1. Consider and review the suitability and the adequacy of good corporate governance policies and practices and business's ethics as well as continuously improve the good corporate governance policy to be appropriate and up to date.
2. Monitor and supervise the compliance with the good corporate governance policy and business ethics of the Board of Directors, executives and employees in order to comply with the policies and practices of good corporate governance.
3. Supervise and promote the implementation of good corporate governance policies and practices including the business ethics to have a continuous effect and suitable for the Company's business.
4. Provide advice to the Company, Board of Directors, management and working groups on good corporate governance
5. Determine the procedures to select directors or managing directors with proper criteria and transparency.
6. Select and nominate the suitable person to be nominated as a director or managing director in the event that the position is vacant to propose to the Board of Directors' meeting or the shareholders' meeting as the case may be.
7. Recruiting candidates to take the position of the Company's directors to replace the directors who have expired and propose to the Board of Directors and the shareholders' meeting for approval.
8. Consider and propose a list of qualified directors as sub-committees by proposed to the Board of Directors for appointment when there is a vacancy.
9. Suggest the measures for evaluating the performance of directors, Board of Directors and Sub-committees including following up on the assessment results.



10. Review and propose amendments to the scope, duties and responsibilities of the Corporate Governance, Nomination and Remuneration Committee in accordance with the circumstances.
11. Propose the compensation guidelines, method of payment of remuneration and any other benefits to the Board of Directors, various sub-committees and Managing Director by means of criteria and methods, structures that are fair and reasonable and proposed to the Board of Directors' meeting for consideration.
12. Perform any other acts as assigned by the Board of Directors.

### 7.3.1 Executive Committee

As of December 31, 2021, the Company has 4 Executive Committees consisting of

| Name                        | Position                     |
|-----------------------------|------------------------------|
| 1. Dr. Apichai Taechaubol   | Executive Committee Chairman |
| 2. Mr. Anukul Ubonnuch      | Executive Director           |
| 3. Mr. Krittawat Taechaubol | Executive Director           |
| 4. Miss Siriporn Tamenant   | Executive Director           |

#### Scope, powers, duties and responsibilities of the Executive Committee

According to the Board of Directors Meeting No. 3/2002 held on February 27, 2002, it was resolved to approve the scope, powers, duties and responsibilities of the Executive Committee as follows:

1. Control and supervise the Company's plans and approve or disapprove the proposal presented by the management to the Executive Committee in relation to the implementation of such plans such as land acquisition, development, construction etc. including various contracts related to all these issues.
2. Consider and approve the sale with credit and the use of the Company's property rental.
3. Consider approval or disapproval of management's proposals regarding agreements with marketing and sales representatives.
4. Consider screening and checking deals regarding new investment in the acquisition of land and buildings before presented to the Board of Directors for consideration
5. Consider and approve or disapprove changes in the Company's business plan.
6. Consider the set-up of general policy guidelines for management.
7. Determine the financial policy, control and supervise cash flows and establish procedures for preparation of financial statements and reports, including auditing the documents
8. Accept the duties assigned by the Board of Directors.
9. Any transaction that may be a connected transaction according to the announcement of the Stock Exchange of Thailand, the Executive Committee has no authority to consider and approve by themselves, it must be presented to the Board of Directors' meeting for approval except

that the said issue is in accordance with the guidelines that the Board of Directors has assigned or is a normal business transaction.

The Executive Committee has the right to take any action within the scope of their powers, duties, and responsibilities when approved by a majority vote which will be obtained by voting.

The details of the Board of Directors of the Subsidiary are as follows:

List of Board of Directors of JCK Utilities Company Limited (JCKU) (Former Total Industrial Services Company Limited)

- |                            |                             |
|----------------------------|-----------------------------|
| 1. Dr. Apichai Taechaubol  | Chairman                    |
| 2. Mr. Anukul Ubonnuch     | Director, Managing Director |
| 3. Mr. Gumpol Tiyarat      | Director                    |
| 4. Mr. Kittawat Taechaubol | Director                    |

List of Board of Directors of SG Land Company Limited (SG)

- |                            |   |
|----------------------------|---|
| 1. Mr. Anukul Ubonnuch     | Director Executive Director and Managing Director |
| 2. Mr. Kittawat Taechaubol | Director and Executive Director                   |
| 3. Mr. A-nil Thadane       | Director  |
| 4. Mr. Lee Kean Huad       | Director  |

List of the Board of Directors of Crown Development Company Limited (CROWN) (former VSSL)

- |                            |  |
|----------------------------|--|
| 1. Dr. Apichai Taechaubol  | Chairman and Executive Chairman *                    |
| 2. Mr. Anukul Ubonnuch     | Director, Executive Director and Managing Director * |
| 3. Mr. Gumpol Tiyarat      | Director *   |
| 4. Mr. Kittawat Taechaubol | Director and Executive Director *                    |
| 5. Mr. Sahathep In-Chein   | Director *   |
| 6. Mrs. Sabai Khammawan    | Director *   |

Noted : \* Dr. Apichai Taechaubol resigned from the position of Director, Chairman and Executive Chairman on June 10, 2021

\* Mr. Gumpol Tiyarat resigned from the position of Director on June 10, 2021

\* Mr. Anukul Ubonnuch resigned from the position of Director, Executive Director and Managing Director on August 10, 2021

\* Mr. Kittawat Taechaubol resigned from the position of Director and Executive Director on August 10, 2021

List of Board of Directors of TFD Real Estate Management Company Limited (TFDRM)

- |                                   |                                |
|-----------------------------------|--------------------------------|
| 1. Dr. Apichai Taechaubol         | Chairman                       |
| 2. Mr. Bunyong Wisetmongkolchai   | Director and Managing Director |
| 3. Dr. Varnadharma Kanchanakuvana | Independent Director           |

List of Board of Directors of BGY & TFD Property Company Limited (BGY&TFD)

- |                             |          |
|-----------------------------|----------|
| 1. Mr. Zhang Liangkang      | Chairman |
| 2. Dr. Apichai Taechaubol   | Director |
| 3. Mr. Anukul Ubonnuch      | Director |
| 4. Mr. Krittawat Taechaubol | Director |
| 5. Mr. Zhang Jiefong        | Director |
| 6. Mr. Thang Chongwei       | Director |

List of Board of Directors of Rajdamri Real Estate Company Limited (RDR) (Former Mahalek Luang Company Limited)

- |                             |          |
|-----------------------------|----------|
| 1. Dr. Apichai Taechaubol   | Chairman |
| 2. Mr. Anukul Ubonnuch      | Director |
| 3. Mr. Krittawat Taechaubol | Director |

#### 7.4 Information of the Management

##### 7.4.1 Management Team

The Management (according to the definitions of executives in the Notification of the Securities and Exchange Commission (SEC) No. KorJor. 17/2008 including any amendments)

As of December 31, 2021, the Company has 7 executives of the Company as follows:

| Name                          | Position  |
|-------------------------------|---|
| 1. Mr. Anukul Ubonnuch        | Managing Director   |
| 2. Mr. Krittawat Taechaubol   | Director Deputy Managing Director   |
| 3. Miss Siriporn Tamenant     | Director Deputy Managing Director, Administration and Information Technology, Company Secretary<br>Secretary of the Executive Committee<br>Secretary of the Audit Committee<br>Secretary of the Executive Committee<br>Secretary of the Corporate Governance, Nominating and Remuneration Committee |
| 4. Mrs. Rachanee Siwawej      | Deputy Managing Director, Finance   |
| 5. Mr. Chaiporn Yokavajorn *  | Assistant Managing Director, Finance  |
| 6. Ms. Jinjuta Satayasansakul | Assistant Managing Director, Accounting   |
| 7. Mr. Vichaya Sirirattna *   | Assistant Managing Director, Business Development   |

Noted : \* Mr. Chaiporn Yakawajorn resigned from the position Assistant Managing Director of Finance on February 1, 2022.

\* Mr. Vichaya Sirirattna was appointed to the position Assistant Managing Director, Business Development on July 5, 2021.

Scope, powers, duties and responsibilities of the Managing Director and the Management

According to the Board of Directors Meeting No. 3/2002 dated February 27, 2002, it was resolved to approve the scope, powers, duties and responsibilities of the Managing Director. and management as follows:

Scope, powers, duties and responsibilities of the Managing Director

1. Managing Director is responsible for managing the Company's business to be successful, acceptable which this mission is absolutely necessary to be organized and executed and must be reconsidered appropriately in a timely manner as follows:
  - a) To lead the management team in the day-to-day business operations of the Company.
  - b) Perform the duties with full potential capability of the business operational and financial plan.
  - c) Provide the procedures and accounting systems, including the budgeting control system for expenses, prepare and make the budget plans, income, expenses and investments.
  - d) Personnel management policy.
2. To certify, guarantee and maintain the accuracy of the Company's accounting records which is ready to submit to the auditors and the Board of Directors within the specified period. Including to perform continuously on annually basis according to the estimated time for submission to the Board of Directors and for the quarterly basis in accounting, up-to-date progress reports and other information related to action.

Scope, powers, duties and responsibilities of the Management

Under the leadership of the Managing Director, the management will manage the Company's operations in accordance with the guidelines, policies and scope set by the Board of Directors and/or the Executive Committee as follows:

1. Operations in the Company's daily business operations, management is responsible for the acquisition, development, sale and maintenance of various assets according to the plan that the Company has set annually. In this part, planning and strategy will have to be proposed as well as appropriate action guidelines to increase the efficiency of operations and get the maximum results including the setting of a new way to expand the Company's business to guarantee the growth of the Company.
2. Finance Manage the Company's finances and accounting according to plans and budget as approved by the Board of Directors or has been modified by the Executive Committee and to perform the supervision to have a reporting system that has a good standard.
3. Personnel Management Hiring and managing employees of the Company in the Company's business, to conduct the audit to ensure that there are employees sufficient to perform their duties effectively and have a good and reliable performance and make recommendations on the appropriate gratuity and welfare system.

4. Organizational system Regularly review and supervise in the organization management structure to guarantee that the system will help facilitate the Company to compete and can expand its business including to make recommendations to the Board of Directors on various matters as deem appropriate.
5. Engage the transactions that may be related to connected transactions According to the announcement of the Stock Exchange of Thailand, the management has no authority to consider and approve these kinds of transactions alone, it must be presented to the Board of Directors' meeting for approval except for such transactions in accordance with the guidelines that the Board of Directors has assigned or is a normal business transaction.
6. Other matters
  - Have other responsibilities as assigned by the Board of Directors or the Executive Committee
  - Presenting the business practices that are deemed necessary or beneficial for the Board of Directors to consider or approve.

#### 7.4.2 Remuneration Policy for Executive Directors and Executives

The Company has established a policy for the remuneration of directors and sub-committees for use as criteria and guidelines for determining directors' remuneration. The rate of remuneration for directors each year must be considered by the Board of Directors before presenting to the shareholders' meeting of the Company for further approval. The details are disclosed in section 7.4.3.

#### 7.4.3 Directors and Executives Remuneration

##### (1) Monetary compensation

##### (1.1) Directors Remuneration

The 2021 Annual General Meeting of Shareholders approved the directors' remuneration totaling Baht 10,000,000 per year by allowing the Board of Directors to allocate the remuneration to each director. The Company determines the directors' remuneration according to the duties and responsibilities of each director, taking into account the Company's performance, including the remuneration of directors of listed companies in the same industry. The directors are allocated as meeting allowances and gratuities as follows:

| Position   | Compensation rate<br>Monthly<br>Baht/person | Meeting Allowance<br>Baht/time/person |                 |                   | Any other<br>benefits |
|--|---|---------------------------------------|-----------------|-------------------|-----------------------|
|  |   | Director                              | AC <sup>1</sup> | CGNR <sup>2</sup> |                       |
| Chairman   | 80,000                                      | 18,000                                |                 |                   | - None -              |
| Director   | 45,000                                      | 13,000                                |                 |                   |                       |
| Chairman of the Audit Committee<br>and Chairman of the Corporate<br>Governance, Nomination and<br>Remuneration Committee | 60,000                                      | 15,000                                | 15,000          | 15,000            |                       |

| Position  | Compensation rate<br>Monthly<br>Baht/person | Meeting Allowance<br>Baht/time/person |                 |                   | Any other<br>benefits |
|---|---|---------------------------------------|-----------------|-------------------|-----------------------|
|   |   | Director                              | AC <sup>1</sup> | CGNR <sup>2</sup> |                       |
| Directors of the Audit Committee and Directors of the Corporate Governance, Nomination and Remuneration Committee | 45,000                                      | 13,000                                | 10,000          | 10,000            |                       |

Noted : 1. Audit Committee Meeting

2. Corporate Governance, Nomination and Remuneration Committee Meeting

In 2021, the Company's directors each individual has been allocated as meeting allowance and gratuity as follows:

| Name-Surname                     | Position   | Meeting Allowance (Baht) | Director's Pension (Baht) | Total Meeting Allowance (Baht) |
|----------------------------------|--|--------------------------|---------------------------|--------------------------------|
| 1. Dr. Apichai Taechaubol        | Chairman<br>Executive Committee Chairman   | 198,000                  | 1,040,000                 | 1,238,000                      |
| 2. Mr. Prasong<br>Vara-ratanakul | Audit Committee Chairman<br>Corporate Governance, Nominating and Remuneration Committee Chairman<br>and Independent Director | 270,000                  | 780,000                   | 1,050,000                      |
| 3. Mr. Chetawan<br>Anuntasomboon | Audit Committee Member<br>Corporate Governance, Nominating and Remuneration Committee Member<br>and Independent Director     | 213,000                  | 585,000                   | 798,000                        |
| 4. Mr. Tawil Praisont            | Audit Committee Member and Independent Director  | 183,000                  | 585,000                   | 768,000                        |
| 5. Mr. Gumpol Tiyyarat           | Director   | 143,000                  | 585,000                   | 728,000                        |
| 6. Mr. Anukul Ubonnuch           | Director, Executive Director and Managing Director   | 183,000                  | 585,000                   | 768,000                        |
| 7. Mr. Kittawat<br>Taechaubol    | Director, Executive Director, Director Deputy<br>Managing Director   | 143,000                  | 585,000                   | 728,000                        |
| 8. Miss Siriporn Tamenant        | Director, Executive Director, Director Deputy<br>Managing Director, Administration and Information Technology                | 185,000                  | 585,000                   | 770,000                        |
| 9. Mr. Tseng, Kuo-Chan *         | Director   | -                        | 585,000                   | 585,000                        |
| <b>Total</b>                     |  | <b>1,518,000</b>         | <b>5,915,000</b>          | <b>7,433,000</b>               |

**Noted** : \* Due to the epidemic situation of the Covid-19 virus which affects international travel, Mr. Tseng, Kuo-Chan was unable to attend the Thai Board of Directors Meeting in Thailand.

## (1.2) Executives Remuneration

Total remuneration of Executives at the level of Assistant Managing Director up to the Executive Chairman level in the form of salary and compensation as follows:

| Total Remuneration    | Total person | Year 2021     | Total person | Year 2020     |
|-----------------------|--------------|---------------|--------------|---------------|
| Salary / Compensation | 7            | 42,085,565.00 | 7            | 36,006,070.00 |

Noted : \* In 2021 consists of 8 executives

- 1) Dr. Apichai Taechaubol 2) Mr. Kittawat Taechaubol  
 3) Mr. Anukul Ubonnuch 4) Miss Siriporn Tamenant 5) Mrs. Rachanee Siwawej  
 6) Mr. Chaiporn Yakawajorn\* 7) Ms. Jinjuta Satayasansakul  
 8) Mr. Vichaya Sirirattna\*

\* Mr. Chaiporn Yakawajorn resigned from the position Assistant Managing Director of Finance on February 1, 2022

\* Mr. Vichaya Sirirattna was appointed to the position Assistant Managing Director, Business Development on July 5, 2021

## (2) Other compensation (if any)

### (2.1) Other compensation of Director (if any)

- None -

### (2.2) Other compensation of Executive

The Company has provided a provident fund for the Executive. The Company contributes at an average ratio of 1.42 percent of salary. In 2021, the Company has paid contributions to the provident fund for executives totaling Baht 508,858.00.

## 7.5 Information about employees

### 7.5.1 Number of employees (excluding Executives)

As of December 31, 2021, the Company and its subsidiaries have employees (excluding executives) totaling 87 persons, divided by line of work as follows:

| Department   | Number of employees (persons) |      |       |    |       |     |
|--|-------------------------------|------|-------|----|-------|-----|
|  | JCK                           | JCKU | CROWN | SG | TFDRM | RDR |
| Director's Office                                    | 1                             | 1    |       |    |       | 2   |
| Finance-Accounting Department                        | 10                            | 3    | 2     | 2  |       |     |
| Administration and Information Technology Department | 10                            | 5    | 2     | 5  |       |     |
| Purchasing Department                                | 1                             |      |       |    |       |     |
| SG Land Project                                      | 2                             |      |       |    |       |     |
| Construction department                              | 8                             | 5    | 3     |    |       |     |

| Department   | Number of employees (persons) |      |       |    |       |     |
|--|-------------------------------|------|-------|----|-------|-----|
|  | JCK                           | JCKU | CROWN | SG | TFDRM | RDR |
| TFD Industrial Estate Project  | 6                             |      |       |    |       |     |
| Marketing and Sales Department   | 3                             | 1    |       |    |       | 1   |
| Property Management and customer relations Department                        | 3                             |      |       |    |       |     |
| Residential and Office Business Development Department (Marketing and Sales) |                               |      | 5     | 2  | 1     |     |
| The Colonial Khao Tao Project, Hua Hin                                       | 1                             |      |       |    |       |     |
| Residential project sales Department   |                               |      | 1     |    |       |     |
| Audit and Risk Management Department   |                               |      |       |    | 1     |     |
| Total  | 45                            | 15   | 13    | 9  | 2     | 3   |

#### 7.5.2 Significant change of employees over the past 3 years

- None -

#### 7.5.3 Major labor disputes in the past 3 years

- None-

#### 7.5.4 Employees compensation

The Company has paid compensation to employees (exclude executives) in various ways, including salary, contributions to the provident fund compensation for work and other remuneration as follows:

| Compensation (Baht)          | Year 2021            | Year 2020            |
|------------------------------|----------------------|----------------------|
| Salary/Income *              | 53,050,000.00        | 54,810,502.79        |
| provident fund contributions | 1,222,484.00         | 1,423,292.00         |
| <b>Total</b>                 | <b>54,272,484.00</b> | <b>56,233,794.79</b> |

Noted : \* means compensation for working and other compensation

#### 7.5.4 Employee development Policy

The Company recognized its employees as the main force that will bring success, progress, stable and sustainable growth with the importance of working as a team and dedication to the work of the employees to aim to work to raise the ability of employees to excel in the work assigned by personnel development in the field of academic management and work culture, providing the adequate modern operating tools and equipment, compensation and benefits which are comparable to similar businesses and also create an atmosphere and a good and safe working environment. Employees must perform their



duties with responsibility, honesty, determination, dedication and compliance with the rules and regulations by considering the benefits of the Company as key important. The management must be responsible for managing human resources for maximum efficiency, effectiveness and beneficial.

In 2021, the Company has employee development expenses close to the expenses in year 2020 in the amount of Baht 275,027.48.

The elements of the policy to be used as a guideline for action are:

1. Policies and guidelines for recruiting human resources
  - 1.1 The Company has a policy to promote the advancement of employees on every opportunity. If the Company and its subsidiaries' position is vacant, the Company will recruit from the personnel within the Company first.
  - 1.2 The Company does not encourage the excessive use of human resources than necessary. Therefore, the recruitment request must be in accordance with the manpower plan, both in terms of quantity and quality which have been approved by the authorized person only.
  - 1.3 In recruiting personnel, the department and responsible persons must take into account the following:
    - 1.3.1 Long-term necessity of the Company on the skills, consciousness, attitudes and behaviors of the personnel who will be recruit in the vacant position
    - 1.3.2 Possibility and difficulty in developing personnel who will take the position to meet the Company's long-term needs by considering from the knowledge base and potential of personnel who will take that position.
    - 1.3.3 The recruitment process must be fairness and transparent in every step.
  - 1.4 In order to obtain the personnel with qualifications suitable for the position at the Company, the department and the responsible people must carry out the following actions:
    - 1.4.1 For employees in the Company, it should have system to observe, monitor and study the performance results according to the systematic performance appraisal and closely consulting with the head of the department regularly.
    - 1.4.2 For newly recruited personnel, there must be long-term advance recruitment arrangements
2. Policy and guidelines on employment advancement opportunities
  - 2.1 The Company has a policy to encourage employees to be successful, progress and growing with the Company
  - 2.2 In order for the employees to have career progress achievement, it is the duty of the employees to be responsible for their own development with supervisors as supporter to provide information and advice on suitable and feasible alternatives on the basis of the needs of the Company.

- 2.3 The Company will carry out the activities which will promote the advancement of the employees such as promotion, transfer, training and seminars including various special assignments as well as the preparation of the replacement of manpower plans etc.
3. Policies and guidelines on compensation for employees
- 3.1 The Company will provide a fair system for paying the compensation and other benefits related to the work for staff and incentives comparable to leading business groups of the same type and in other related business groups. The department and the management which responsible for administering the compensation system shall conduct regular market compensation surveys as deemed necessary.
- 3.2 In managing the compensation system, the Company will take into account the financial capabilities, Company's performance, level of competence and performance of employees as important factors.
- 3.3 The Company expects its employees to be aware of the planning for the quality of life, thus the Company encourages the saving for retirement by establishing a provident fund for such purposes and has paid the part of Company's contribution to the employees.
- 3.4 The Company provides various welfares and benefits to employees as necessary and appropriate to help and provide guarantees to employees as much as possible. The Company expects that the employees should pay attention and have a healthy lifestyle plan for themselves and their families.
4. Policies and guidelines on employee development
- 4.1 The Company would like their employees to have a level of competence and operational skills which are comparable to those of the leading business groups in the same and similar business. Therefore, the Company will regularly promote and support the development of employees in all aspects to achieve such objectives.
- 4.2 Participation in training activities and seminars is extremely important and necessary that all employees and supervisors at all levels must be aware of the importance of these activities. The employees are obliged to attend the training seminars as specified by the Company.
- 4.3 The Company need all employees to pay attention and strives to continuously increase their knowledge and skills to themselves for the advancement of employees.
5. Policies and guidelines on performance appraisals
- The Company has a clear intention and policy to set up as system for evaluating employees' performance with integrity and fairness in order to create maximum motivation for employees' performance.
6. Disciplinary and complaints policies and guidelines
- 6.1 It is the duty and responsibility of all supervisors to supervise employees under their command to strictly follow the discipline in order to prevent employees from committing wrongdoings or

causing serious damage to the works under their responsibility, to other employees and to the Company.

6.2 Employees who commit disciplinary violations must be punished as appropriate in order to prevent repeat offenses or more serious. Punishment must be done without malicious intention, bullying or unfairness.

6.3 Disciplinary violations, even if they are the same offense, may be subject to different penalties. If the offense is a repeat offense or acts intentionally or has an effect or severe impact to the Company or the general public differently.

6.4 Employees must behave in accordance with the standards of conduct set by the Company. If anyone does not comply, the supervisor shall give a warning or carry out penalties in accordance with the rules and regulations in the performance of work or the requirements laid down.

7. Policies and guidelines on termination of employment

7.1 An employee is discharged from the status of an employee when

7.1.1 die

7.1.2 is allowed to resign

7.1.3 is allowed to early retire before retirement

7.1.4 lacking qualifications or having prohibited characteristics as specified

7.1.5 retirement

7.1.6 termination

7.2 Employee termination of employment is the responsibility of the supervisors in the line of work which the supervisors must have to inform the employees under their command of the reasons, and background of termination of employment

7.3 The Company will consider the benefits that the employees should receive upon the termination of employment in accordance with law, regulations and Company's rules based on the reasons for such termination

7.4 In order for the Company to compete in its business operations with other competitors, therefore, the positions that are not necessary or any employees whose their work are ineffective, the Company may dissolve the position or terminate such employment.

**7.6 Other Important Information**

**7.6.1 List of persons who are directly responsible for Accounting Supervision, Company Secretary and Internal Audit**

**(1) Accounting Supervision**

The Company has assigned Mrs. Rachanee Siwawej to be in charge of accounting of the Company with details about the Company's Accounting Supervision appears in Attachment 1.

## **(2) Company Secretary**

According to the Board of Directors Meeting No. 7/2007 dated November 14, 2007, it was resolved to appoint Miss Siriporn Tamenant to act as the Company Secretary with duties and responsibilities as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. caution and honesty as well as to comply with the law, objectives, the Company's regulations, resolutions of the Board of Directors as well as resolutions of the Shareholders' Meeting. The qualifications and duties and responsibilities of the person holding the position as the Company Secretary appeared in Attachment 1, details are as follows:

### **Qualifications of Company Secretary**

- Understand the Company's business and related roles and responsibilities of Company Secretary's functions, including having fundamental knowledge in principles of laws and regulations of governing agencies, the laws on public company and the laws on securities and exchange. The Company Secretary is to seek knowledge from experts or legal advisors to strengthen his/her understanding;
- Being knowledgeable; understand and support the Company's operation to achieve the purposes under the principle of corporate governance and best practices on corporate governance;
- Refrain from seeking personal interest from the Company's business opportunities; be able to keep the Company's secrets; hold morale and ethic and take into consideration of all stakeholders; and refrain from action that could defame the Company's reputation and harm its image;
- Have excellent interpersonal skills; able to coordinate with both internal departments and external agencies.

### **Roles and Responsibilities of Company Secretary**

- Give basic consultation and advice to the Board of Directors in respect of laws, orders and regulations of the Company, as well as to ensure proper and consistent compliance as well as to make reports on any significant change in matter of laws to directors;
- Organize the shareholders' meeting and the Board's meeting in accordance with the laws, articles of association and proper practice;
- Prepare and keep documents of the Board of Directors and shareholders; namely registration of directors, invitation letter to attend the meeting of the Board and Shareholders, minutes of the meeting of the Board and Shareholders, annual report and quarterly financial statements;
- Keep the reports of interests filed by the directors or executives and make submission as required by laws.

**(3) Internal Audit**

The Company contracted to hire Mr. Teerachai Meekaew, AMPRO Office 2004 as an internal auditor. He has duties and responsibilities to conduct internal audits and other related tasks as assigned by the Audit Committee. Details of the head of internal audit are shown in Attachment 3.

**7.6.2 Investor Relations and Contact Information**

|         |   |  |
|---------|---|--|
| Address | : | No. 18, Soi Sathorn 11 Yeak 9, TFD Building, Yannawa, Sathorn, Bangkok 10120 |
| Tel.    | : | (66) 2676-4031-6, (66) 26763836-9  |
| E-mail  | : | <a href="mailto:cs@jck.international">cs@jck.international</a>               |

**7.6.3 Auditor's Remuneration**

The Company has appointed EY Office Limited to be the auditor of the Company and its subsidiaries for the year 2021 with the Company's specific audit fee for the year 2021 totaling Baht 1,710,000.- per year. The accounts of the Company's five subsidiaries are JCK Utilities Company Limited, SG Land Company Limited, Crown Development Company Limited, TFD Real Estate Management Company Limited and Ratchadumri Real Estate Company Limited in the amount of Baht 2,240,000.- and subsidiaries for the year 2021 totaling Baht 3,950,000.- per year.

For other service fees (Non-Audit Services Fee) in the past fiscal year, the Company has not received any other services from the auditing company that the auditor is affiliated with.

#### 7.6.4 Report on Securities Holding and Change of Securities Holding of Directors in year 2021

| Name - Surname                | Position  | Number of shares held as of November 6, 2020<br>(According to the list of major shareholders of the company Thailand Securities Depository Co., Ltd.) | Number of shares held as of March 31, 2021<br>(According to the list of major shareholders of the company Thailand Securities Depository Co., Ltd.) | Number of shares held as of August 30, 2021<br>(According to the list of major shareholders of the company Thailand Securities Depository Co., Ltd.) |
|-------------------------------|---|---|---|--|
| 1. Dr. Apichai Taechaubol     | Chairman and Executive Committee Chairman   | 373,440,556   | 375,896,456   | 375,896,456  |
| 2. Mr. Prasong Vara-ratanakul | Independent Director, Audit Committee Chairman<br>Corporate Governance, Nominating and Remuneration Committee Chairman              | -   | -   | -  |
| 3. Mr. Chetawan Anuntasomboon | Independent Director, Audit Committee Member<br>Corporate Governance, Nomination and Remuneration Committee Member                  | -   | -   | -  |
| 4. Mr. Tawil Praisont         | Independent Director and Audit Committee Member   | -   | -   | -  |
| 5. Mr. Tseng, Kuo-Chan        | Director  | 75,900,000  | 75,900,000  | 75,900,000   |
| 6. Mr. Gumpol Tiyarat         | Director  | -   | -   | -  |
| 7. Mr. Anukul Ubonnuch        | Director, Executive Director and Managing Director  | 450,000   | 450,000   | 450,000  |
| 8. Mr. Kittawat Taechaubol    | Director, Executive Director and Director Deputy Managing Director  | 44,095,000  | 44,095,000  | 43,995,000   |
| 9. Miss Siriporn Tamenant     | Director, Executive Director,<br>Director Deputy Managing Director, Administration and Information Technology and Company Secretary | -   | -   | -  |

Noted: \* according to the list of shareholders from the Thailand Securities Depository Co., Ltd.

**8. Report on Key Performance in Corporate Governance****8.1 Summary of the performance of the Board of Directors in the past year**

In 2021, there were 9 Meetings of the Board of Directors, 4 Meeting of Audit Committees, and 3 Meeting of Good Corporate Governance, Nomination and Remuneration Committees, and – Meeting of the Executive Board according to the meeting plan all year in advance by the Board of Directors. All 3 Sub-Committees have complied with the scope, authority, roles and responsibilities which set out in the Company's Articles of Association.

**8.1.1 Recruiting, developing and evaluating the performance of the Board of Directors**

The Good Corporate Governance, Nomination and Remuneration Committee will consider the nomination of the Company's directors to replace the directors who have expired in rotation to propose to the Board of Directors and Shareholders' meeting to consider and approve. The number of directors is set to be not less than 5 persons, but the maximum number is not specified. The Shareholders' meeting may pass a resolution to remove any director from office prior to the expiration of his/her term with a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote including holding shares in aggregate not less than half of shares held by the shareholders attending the meeting and having the right to vote.

In the event that the director's position becomes vacant due to other reasons in addition to the period of retirement, the Committee shall select any person which has qualifications and does not have any prohibited characteristics under the law on public limited companies to become a replacement director in the next Board of Directors' meeting, except the remaining terms of the director is less than 2 months, the person who replaces the director will be in the position of the director only for the remaining term of the director he/she replaces. Resolution of the said committee must consist of votes of not less than three-fourths of the remaining directors.

The appointment of new directors: The Corporate Governance Nomination and Remuneration Committee will screen and propose to the Board of Directors' meeting for consideration and proposing to the Shareholders' meeting. The Shareholders' meeting will elect the directors according to the following rules and procedures:

1. One shareholder shall have a vote equal to one share per one vote.
2. Each shareholder can use all the votes he has under (1) to elect one person or more than one person to be directors but cannot divide the votes to any person to any extent.
3. Persons receiving the highest votes in descending order will be elected as directors equal to the number of directors required or should be elected at that time. In the event that the persons who are elected in descending order have equal votes, and the number of directors

is more than the number of directors required to have or should be elected at that time, the Chairman of the meeting shall have a casting vote.

Nomination of Audit Committee: The Board of Directors must establish an audit committee as part of the Board of Directors appointed from at least 3 independent directors of the Company and at least 1 person must have knowledge of accounting / finance. The Audit directors must have qualifications related to the independence as announced by the Stock Exchange of Thailand (SET) regarding qualifications and scope of work of the Audit Committee to perform the audits and supervise the operations of the Company, to supervise the preparation of financial reports, the internal control, the selection of the auditors, consideration of conflicts of interest including the preparation of the Audit Committee's Corporate Governance Report.

Nomination of the Good Corporate Governance, Nomination and Remuneration Committee: The Board of Directors' meeting on November 14, 2019 has appointed 2 independent directors of the Company to be the Corporate Governance Nomination and Remuneration Committee. These 2 directors have full qualifications according to the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC) have specified the qualifications of independent directors in all respects. The term of office is 3 years or until the Company's directorship is retired.

In order to effectively perform the duties of the Corporate Governance, Nomination and Remuneration Committee and achieve the objectives, duties and responsibilities assigned by the Board of Directors, the Corporate Governance, Nomination and Remuneration Committee meets at least twice a year to consider, discuss and take any actions to accomplish their duties and responsibilities.

In addition, the Board of Directors prescribes that the independent directors have a term of office not exceeding 9 years from the date of first appointment as an independent director. In such case that the Board will appoint such independent directors to hold the office, the Board will reasonably consider such necessity.

#### Board Self-assessment

##### 1. Board's evaluation criteria

- The Board should prepare a self-assessment form to serve as a framework for regularly reviewing the performance of the Committee's duties.
- The Board of Directors should set up a standard of performance of the Board with rules and periodically evaluating the performance compared to the norm as required.
- The Managing Director should participate in explaining the expectations to be met by the Board of Directors.



- The Board of Directors should hire the external consultants to be involved in formulating the guidelines and suggesting issues for the evaluation of the Board's performance at least every three years and disclose the assessment results in the annual report of the Company.
- 2. Procedures and results of the Board's assessment
  - The Board of Directors has determined that the performance evaluation form of the Board of Directors and sub-committees is prepared once a year in the form of self-assessment for each committee which refer to the assessment form of the Stock Exchange of Thailand (SET) and the Thai Institute of Directors Association (IOD) to be used as a framework for reviewing and correcting and improving the performance of the Board of Directors. The name of the assessment committee and the information obtained from the assessment will not be communicated to the assessed directors. The evaluation form for all committees consists of 4 topics:
    - The structure of the Board of Directors
    - Determination of strategy and Company's direction
    - The monitoring and evaluating performance of the management
    - Responsibilities according to the duties of the Board of Directors.
- 3. The Board of Directors' performance evaluation method is based on collecting survey results from the self-assessment of individual committees by collecting the results from the "appropriate fields" and "the fields that should be improved" for each topic and then dividing them by the total number of the directors who completed the assessment. The value of the surveyed results will be used to conclude that the Board of Directors shall considered that various topics are appropriate or should be adjusted to which percentage of all directors.

#### Remuneration

The Corporate Governance, Nomination and Remuneration Committee is responsible for studying, considering and monitoring the changes and trends in the Board of Directors' remuneration to propose a compensation policy that is an incentive for the Company's business to progress as well as being able to keep talented and good people with the Company

#### Development of Directors and Executives

The Board of Directors has a policy to promote and facilitate directors, executives, Company Secretary and related persons to attend various training courses organized by the Thai Institute Directors (IOD), the Stock Exchange of Thailand or independent organizations in order to have continuous improvement of operations and every time a new director is appointed. The management will provide the documents and information that are useful for the performance of the new director's duties including

introducing the nature of the business and the Company's business conduct guidelines for such new directors.

The Board of Directors requires the Managing Director to regularly report on the development and succession plans as well as determine the person who will act on behalf of the management at various level. In the event that such executives are unable to perform their duties which is contained in the Company's policy and human development plan annually.

### 8.1.2 Meeting attendance and remuneration of individual committees

#### Meeting attendance of each committee in year 2021

Times / Total of Meeting

| Name                          | Board of Directors | Executive Committee | Audit Committee | Corporate Governance, Nominating and Remuneration |
|-------------------------------|--------------------|---------------------|-----------------|---|
| 1. Dr. Apichai Taechaubol     | 9/9                | -                   |                 |   |
| 2. Mr. Prasong Vara-ratanakul | 9/9                |                     | 4/4             | 3/3   |
| 3. Mr. Chetawan Anuntasomboon | 9/9                |                     | 4/4             | 3/3   |
| 4. Mr. Tawil Praisont         | 9/9                |                     | 4/4             |   |
| 5. Mr. Gumpol Tiyarat         | 9/9                |                     |                 |   |
| 6. Mr. Tseng, Kuo-Chan        | -*                 |                     |                 |   |
| 7. Mr. Anukul Ubonnuch        | 9/9                | -                   |                 |   |
| 8. Mr. Krittawat Taechaubol   | 9/9                | -                   |                 |   |
| 9. Miss Siriporn Tamenant     | 9/9                | -                   |                 |   |

Noted : \* Due to the spread of the Covid-19 virus which has affected international travel, Mr. Tseng, Kuo-Chan was unable to attend the Company's Board of Directors Meeting.

#### Individual Board Remuneration

##### 1. Monetary Compensation

The 2021 Annual General Meeting of Shareholders approved the directors' remuneration totaling Baht 10,000,000 per year by allowing the Board of Directors to allocate the remuneration to each director. The Company determines the directors' remuneration according to the duties and responsibilities of each director, taking into account the Company's performance, including the remuneration of directors of listed companies in the same industry. The directors are allocated as meeting allowances and gratuities as follows:

| Position | Compensation rate<br>Monthly<br>Baht/person | Meeting Allowance<br>Baht/time/person |                 |                   | Any other benefits |
|----------|---|---------------------------------------|-----------------|-------------------|--------------------|
|          |   | Director                              | AC <sup>1</sup> | CGNR <sup>2</sup> |                    |
| Chairman | 80,000                                      | 18,000                                |                 |                   | - None -           |
| Director | 45,000                                      | 13,000                                |                 |                   |                    |

| Position  | Compensation rate<br>Monthly<br>Baht/person | Meeting Allowance<br>Baht/time/person |                 |                   | Any other<br>benefits |
|---|---|---------------------------------------|-----------------|-------------------|-----------------------|
|   |   | Director                              | AC <sup>1</sup> | CGNR <sup>2</sup> |                       |
| Chairman of the Audit Committee and<br>Chairman of the Corporate Governance,<br>Nomination and Remuneration Committee   | 60,000                                      | 15,000                                | 15,000          | 15,000            | - None -              |
| Directors of the Audit Committee and<br>Directors of the Corporate Governance,<br>Nomination and Remuneration Committee | 45,000                                      | 13,000                                | 10,000          | 10,000            |                       |

Noted : 1. Audit Committee Meeting  
2. Corporate Governance, Nomination and Remuneration Committee Meeting

In 2021, the Company's directors each individual has been allocated as meeting allowance and gratuity as follows:

| Name-Surname                     | Position  | Meeting Allowance<br>(Baht) | Director's Pension<br>(Baht) | Total Meeting Allowance<br>(Baht) |
|----------------------------------|---|-----------------------------|------------------------------|-----------------------------------|
| 1. Dr. Apichai Taechaubol        | Chairman<br>Executive Committee Chairman  | 198,000                     | 1,040,000                    | 1,238,000                         |
| 2. Mr. Prasong<br>Vara-ratanakul | Audit Committee Chairman<br>Corporate Governance, Nominating and<br>Remuneration Committee Chairman<br>and Independent Director | 270,000                     | 780,000                      | 1,050,000                         |
| 3. Mr. Chetawan<br>Anuntasomboon | Audit Committee Member<br>Corporate Governance, Nominating and<br>Remuneration Committee Member<br>and Independent Director     | 213,000                     | 585,000                      | 798,000                           |
| 4. Mr. Tawil Praisont            | Audit Committee Member and Independent<br>Director  | 183,000                     | 585,000                      | 768,000                           |
| 5. Mr. Gumpol Tiyarat            | Director  | 143,000                     | 585,000                      | 728,000                           |
| 6. Mr. Anukul Ubonnuch           | Director, Executive Director and Managing<br>Director   | 183,000                     | 585,000                      | 768,000                           |
| 7. Mr. Krittawat<br>Taechaubol   | Director, Executive Director, Director Deputy<br>Managing Director  | 143,000                     | 585,000                      | 728,000                           |
| 8. Miss Siriporn Tamenant        | Director, Executive Director, Director Deputy<br>Managing Director, Administration and<br>Information Technology                | 185,000                     | 585,000                      | 770,000                           |
| 9. Mr. Tseng, Kuo-Chan *         | Director  | -                           | 585,000                      | 585,000                           |
| <b>Total</b>                     |   | <b>1,518,000</b>            | <b>5,915,000</b>             | <b>7,433,000</b>                  |

**Noted** : \* Due to the epidemic situation of the Covid-19 virus which affects international travel, Mr. Tseng, Kuo-Chan was unable to attend the Thai Board of Directors Meeting in Thailand.

### **8.1.3 Supervision of Subsidiaries and Associated Companies**

The Company has a policy to invest in subsidiaries and/or associates companies to expand the business and separate scope, powers, duties and responsibilities in business operations. However, the Company has a policy to supervise the investment companies which will send directors to be representatives in those companies. If it is a subsidiary, the Company will send representatives to serve as directors for more than half of the total number of directors and in associated companies in proportion to their shareholding. The directors, who to be appoint by the Company must report to the Board of Directors of the business results of the subsidiaries and/or associated companies that may have a significant impact on the Company.

In the event that the subsidiaries will purchase or sell assets of the Company or the Company will provide financial support to those subsidiaries including agreeing to enter into any related transaction according to the announcements and rules of the Stock Exchange of Thailand, action in such matters must comply with all applicable rules and regulations first. In addition, if subsidiaries or associated companies that the Company has control, there are actions that may cause damage to the Company, then the representative of the Company who is a director in that company must be reported and approved by the Board of Directors' Meeting before every action.

### **8.1.4 Monitoring to ensure compliance with corporate governance policies and practices**

The Company has reviewed the compliance with the principles contained in the Good Corporate Governance Manual and the Company's Code of Conduct every year. In addition, the Company has followed up on 2 other matters to ensure compliance with the governance good business as follows:

#### **(1) Supervision of the use of inside information**

##### **(1.1) Confidentiality Policy**

##### **1. Protection of Company's Confidentiality**

1.1 Directors, management personnel and employees of the Company will sometimes have to deal with data and documentation that will not be disclosed to third parties and/or is classified as a trade secret. The protection on the kind of data is vital to the Company's success in the future as well as to the security of everyone at work.

1.2 Personnel in directorship, management and staffs have a duty to accept legal obligations and ethical standards not to disclose any data and documentation that are classified as confidential or trade secret for duration of two years after their employment is exited.

1.3 Every personnel are required to understand data protection procedures that are developed to protect data that is confidential and to prevent the confidential data to be disclosed without intention.

## 2. The Type of Confidential Data

2.1 A trade secret is internal confidential data of the Company which shall be protected and not to be disclosed to public. Sensitivity of those confidential data can be segregated into several types from minimum to maximum, for example a type of information designated as “Disclosable”, “Classified”, “Confidential”, and “Strict Confidential”.

2.2 The mutual use of internal data shall be in a measure that is assigned to his/her duty and responsibility only.

## 3. Measures for Data Release to Public

3.1 Any data that will be released to public shall be approved by Managing Director by which the Managing Director will release it by himself or assign someone to release or answer.

3.2 Data relating to other co-investors shall be approved by the co-investors.

3.3 A central office that will release data to public is Office of the Managing Director and Office of Investor Relations and an internal office will act for correspondence to staffs.

3.4 The office holding the data will provide fact sheet and coordinate with Managing Director, the Office of Managing Director and the Office of Investor Relations before public release.

## 4. Public Release

There shall not be any public release or opinion to public. In case any third party asks a question, the personnel shall ask himself/herself if he/she has a duty to provide the answer. If it is not the duty, the refusal shall be politely presented and advised to further contact the Office of Investor Relations.

### **(1.2) Policy on Security Trading**

1. The Board of Directors and designated management, which include their spouse and children who have not reached legal age, have a duty to report the holding of their security in accordance with regulations issued by the Stock Exchange of Thailand (SET) and the Stock Exchange Commission (SEC) in which the Company rules that the directors and high-level management personnel shall report their security trading to the Commission at least 1 days prior to the trading date.

#### 2. Insider Trading

As a listed company in the Stock Exchange of Thailand (SET), the Company shall conduct any measure equally and fairly to all shareholders. In order to prevent any illegal act by all levels of personnel of the Company as well as their family members who receive or likely to receive any insider information that has not yet revealed to public, the Company therefore prohibits those persons to buy or sell shares of the Company, or invite other persons to buy or sell or propose to buy or sell shares of the Company whether by themselves or through any broker while that information is still under their custody

without public release. The Company and the Stock Exchange of Thailand (SET) hold that the transaction for such stock buying or selling is speculation or creation for advantages to any group.

### 3. Preventive Measures

To ensure compliance with applicable policies, the Company shall implement the following.

3.1 Limit accessibility to non-disclosed information to public and allow for only related and necessary persons to access.

3.2 Set-up a security system in working places to protect information files and classified documentation.

3.3 Retain the owner of non-disclosed information to public to control the personnel related to that information to be in compliant with the strict preventive measures.

### 4. Penalty for Insider Trading

A violator of the policy will be resulted in disciplinary action and/or legal action as the case may be.

## (2) Anti-Corruption

The Board of Directors has set an anti-corruption policy in the Good Corporate Governance Policy Section 11 as detailed below:

To ensure that the Company has a policy for defining responsibility, guidelines, and appropriate action requirements to prevent corruption in all business activities of the Company and so that decisions and business operations that may be at risk of corruption are carefully considered and acted upon. The Company has prepared Anti-Corruption Policy in writing to be a clear practice guideline in business operations and develop the organization towards sustainability.

### Roles and Responsibilities

1) The Board of Directors has roles and responsibilities to adopt the policies and systems that could effectively support the anti-corruption practices, in order to make sure that the management is aware and giving priority to the importance of this practice and thereby promote it as a corporate culture.

2) The Audit Committee has roles and responsibilities to audit financial statements and the systems of financial and account reporting, internal control, internal audit and risk management for compliance with international standards while making sure that they remain concise, sound, sophisticated and effective.

3) Managing Director, the management and executives have roles and responsibilities to set up a system that will help supporting and communicating an anti-corruption policy to employees and related parties. They are also to review the soundness of the system and other measures to reflect business, order, legal and regulatory changes.

4) An internal auditor has roles and responsibilities to audit and review compliance with policy, practice, authority and regulatory rules and laws to ensure that the Company has indeed an adequate and appropriate system against potential corruption risk which shall be directly reported to the Audit Committee.

#### **Practices**

1) Directors, executives and employees at all levels shall comply with the Company's anti-corruption policy where they shall neither directly nor indirectly be involved in corruption.

2) Employees must not remain ignorant if witnessing action potentially qualified as corruption in relation to the Company. They shall report the incident to supervisors or responsible persons and cooperate with the examination process. In case of doubt or question, the employees should consult with supervisors or persons designated to be responsible for such policy compliance through available channels.

3) The Company will protect and fairly treat the employees who report or refuse to be involved in corruption in relation to the Company through measures designed to protect whistleblowers of corruption.

4) Corrupting is an offense and is subject to disciplinary actions based on the Company's regulations. Besides, corrupted persons may be subject to legal punishment if the action is found illegal.

5) The Company underlines the importance of disseminating anti-corruption information and knowledge and making the third party collaborating with the Company or whose action could affect to the Company comply with this anti-corruption policy.

6) The Company commits to promote and nurture the corporate culture that corruption is unacceptable when conducting transactions with either the public or private sectors.

#### **Whistleblowing or Complaint**

The Board has set up measures for whistleblowing. or complaints against illegal acts, codes of conduct or behavior that may imply corruption or misconduct of individuals in the organization both from employees and other stakeholders including providing a mechanism to protect the whistleblowers in order for the stakeholders to participate in overseeing the interests of the company more effectively.

##### Matters that receive whistleblowers or complaints

- Wrongdoing, corrupt company regulations, or wrongdoing by directors, executives and employees.
- Irregularities in financial reports or a defective internal control system.
- Matters that affect interests or the reputation of the Company.

Whistleblowing or complaint channels

Through the Company's website at [www.jck.international](http://www.jck.international)  
Or send electronic mail to [cs@jck.international](mailto:cs@jck.international)  
Or a letter to JCK International Public Company Limited  
No. 18, Soi Sathorn 11 Yeak 9, TFD Building,  
Yannawa, Sathorn, Bangkok 10120  
Tel. 0-2676-4031-6

These will pass to independent directors or audit committee of the Company to order that the information be examined in accordance with the procedures set forth by the Company and reported to the Board.

Mechanism to protect whistleblowers

- Establish a database system to keep confidential information of whistleblowers by entering the database system must be able to be done by executives at the level of Deputy Managing Director and above only.
- The Company assumes the duty of the supervisor or the chief of every complained person to exercise reasonable discretion to protect complainants, witnesses and persons providing information in the investigation to avoid danger and trouble or injustice arising from complaints witnessing or providing information.

**8.2 Report on the performance of the Audit Committee in the past year**

The Audit Committee consists of 3 independent directors, represented by Mr. Prasong Varatanakul, Chairman of the Audit Committee. He has knowledge and experience in accounting and finance sufficient to review the reliability of the Company's financial statements. In 2021, the Audit Committee held a meeting and independently perform duties in accordance with the scope of powers and duties stipulated in the Charter of the Audit Committee

**8.2.1 Number of meetings and attendance of the individual audit committee**

| Name                          | Position  | Number of times attended/Total number of times |
|-------------------------------|---|--|
| 1. Mr. Prasong Vara-ratanakul | Audit Committee Chairman and Independent Director | 4/4  |
| 2. Mr. Chetawan Anuntasomboon | Audit Committee Member and Independent Director   | 4/4  |



| Name                  | Position  | Number of times attended/Total number of times |
|-----------------------|---|--|
| 3. Mr. Tawil Praisont | Audit Committee Member and Independent Director | 4/4  |

### 8.2.2 Performance of the Audit Committee in the past year

During the year 2021, the Audit Committee has performed various duties in summary as follows:

1. Consider and approve the Internal Audit Department's Audit Plan for the year 2021, emphasizing on enhancing the efficiency of the internal control system. Adequate checks where necessary reporting of internal audit results to the Audit Committee

The Audit Committee has considered and evaluated the audit results of the Internal Audit Department for the year 2021 and considers that the internal control system is effective enough to control the operations of the Company and its subsidiaries without finding any significant flaws.

2. Both quarterly and annual financial statements of the Company were reviewed to provide full and accurate financial information based on the generally-accepted accounting principles in a timely fashion as well as a true reflection of the company's financial status before they were submitted to the Board of Directors.
3. The Audit Committee reviewed an evaluation form of the adequacy of the Company's internal control system to ensure that it had an appropriate and adequate internal control system to supervise operation based on its business objectives. The Company has an organizational structure with clear separation of duties in important areas, have a good corporate governance policy and anti-corruption policies. There is a secrecy class defined, provide channels for whistleblowing or complaints from employees in the organization and other stakeholders and there is an audit of the internal control system of various activities by the Internal Audit Department on a regular and ongoing basis.
4. Reviewed risk management procedures by taking into consideration a risk management policy and a risk management plan and guideline based on prevailing corporate risks. It also regularly reviewed the efficiency and suitability of the Company's risk management system.
5. The Company was requested to be compliant with corporate governance on the basis of the Stock Exchange of Thailand's guideline and to develop its CG practice to match the international standards.
6. Reviewed the Company's compliance with the laws and the authorities' rules and regulations.
7. Reviewed connected transactions and items that could cause conflict of interest as well as ensured that the information was accurately and completely disclosed.

8. Appointed an auditor and set his remuneration before submitting the information to the Board of Directors for proposing to the Shareholders' Meeting for its approval by considering appointing EY Office Limited as the auditor of the Company and its subsidiaries for the year 2021 by appointing one of the auditors as listed below auditors and express opinions on the Company's and its subsidiaries' financial statements. In the event that such auditors are unable to perform their duties, EY Office Limited shall procure another certified auditor of EY Office Limited to audit the accounts and express opinions on the Company's financial statements on behalf of the auditors as mentioned above.
  1. Ms. Siraporn            Ouaanunkun            CPA No. 3844 and/or
  2. Ms. Supanee            Triyanantakul            CPA No. 4498 and/or
  3. Mr. Preecha            Arunnara            CPA No. 5800
9. Prepare the Corporate Governance Report of the Audit Committee annually and signed by the Chairman of the Audit Committee. The report will consist of Reporting the number of audit committee meetings and attendance of each audit committee member including the opinions of the Audit Committee on the following issues:
  - Accuracy, completeness and reliability of the Company's financial reports.
  - Adequacy of the Company's internal control system.
  - Compliance with Securities and Exchange Laws and the Stock Exchange of Thailand requirements or laws related to the company's business.
  - Suitability of the auditor.
  - Items that may have conflicts of interest.
  - Overall opinions or observations received by the Audit Committee in the performance of its duties in accordance with the Charter.
  - Other items that shareholders and general investors should be aware of according to the scope of duties and responsibilities assigned by the Board of Directors.
10. Perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

### 8.3 Summary of the performance of other sub-committees

#### Corporate Governance, Nominating and Remuneration Committee (CGNR)

Corporate Governance, Nominating and Remuneration Committee consists of 2 directors, both of which are independent directors. In the year 2021, the Company held a meeting of the Good Corporate Governance Nomination and Remuneration Committee total 3 times. Meeting attendance of each director is as follows:

| Name                             | Position  | Number of times attended/Total number of times |
|----------------------------------|---|--|
| 1. Mr. Prasong<br>Vara-ratanakul | Corporate Governance, Nominating and Remuneration Committee Chairman and Independent Director | 3/3  |
| 2. Mr. Chetawan<br>Anuntasomboon | Corporate Governance, Nominating and Remuneration Committee Member and Independent Director   | 3/3  |

#### **Performance of the Good Corporate Governance, Nomination and Remuneration Committee**

1. Provide opportunities for shareholders to propose agenda and nominate a list of persons to be considered for election as the Company's directors between November 17, 2020 - December 31, 2020, where no shareholder proposed an agenda or list of persons to be elected as a director.
2. Consider and approve retired directors by rotation and electing new directors in 2021.
3. Consider the director's remuneration for the year 2021 and propose to the Board of Directors to propose to the 2021 Annual General Meeting of Shareholders.
4. Propose compensation guidelines, method of payment of remuneration and any other benefits to the Board of Directors, sub-committees and managing director with criteria or methods fair and reasonable structure and proposed to the Board of Directors' meeting for consideration.
5. Consider reviewing the suitability and the adequacy of the policies and practices in good corporate governance and business ethics as well as improving the policy of good corporate governance to be appropriate and up-to-date.
6. Follow up and supervise the compliance with the good corporate governance policy and business ethics of the Board of Directors, executives and employees in order to comply with the policies and practices of good corporate governance.
7. Supervise and promote the implementation of good corporate governance policies and practices. including business ethics to have a continuous effect and suitable for the Company's business.
8. Provide advice to the Company, the Board of Directors, management and working groups on good corporate governance.
9. Suggest methods for evaluating the performance of directors Board of Directors and sub-committees including following up on the assessment results.
10. Review and propose amendments to the scope, duties and responsibilities of the Corporate Governance, Nomination and Remuneration Committee in accordance with the circumstances.
11. Perform any other acts as assigned by the Board of Directors.

**9. Internal Control and Connected Transactions****9.1 Internal Control****9.1.1 Adequacy and appropriateness of the Company's internal control system****1) Objective of the internal control**

“Internal Control” is the process of working or implementing the job that the board of directors and personnel of all levels of the Company provided for confidence with justification on the operations of the Company to achieve the following objectives:

- The operations shall have efficiency and effectiveness by achieving the goal of the Company, including caring not to lose or misuse the assets.
- The financial reporting must be accurate and in-time presentation.
- The compliance with policies, rules, and regulations shall be performed the duties strictly to the rules and regulations of the Stock of Exchange of Thailand, or laws relating to business of the Company.

**2) Importance of the internal control system**

The internal control system is the important mechanism that gives confidence with justification to the management for:

- Helps to reduce the business risk.
- Helps to do business effectively with suitable allocation of the resources and achieve the established goal.
- Help to prevent corruption, protect misusing, and safeguard and care of property.
- Helps to assure the reliability of the financial statement.
- Helps the personnel to comply with the laws and rules involved.
- Helps to give protection on the investment of the shareholders.

The internal control is the main factor behinds the success of all business either in government or private sectors. The management as the leader, must perform their duties in responsible to various elements and environment of their units. In additional they should:

- Encourage team work mind-set to the subordinates of all levels to be aware of the importance to coordinate and comply with constantly and continuously. So the measures and mechanisms of the internal control system set up by the management to accomplish the established objective.
- Regularly monitoring and evaluating of internal control in order to obtain suitable strategies and mechanism under the variation in difference circumstance of risks.

The internal control, regardless of design or implementation, shall give only confidence at the reasonable level, as it can protect from loss, waste or accomplishment and effectiveness. However, it

cannot assure or give confidence of the business success, because the internal control has several limitations, which mostly involving with the human behavior.

### **3) Policy on internal control of the Company**

3.1 The Company commit that its management must aware with the important of internal control is sufficiently efficient to acceptable risk level and suitable with the circumstances of the job or activity of that units. It divides the duties and responsibilities concerning the internal control of the Company as follows:

3.1.1 The Board of Directors as well as the audit committee must perform their duties and responsibilities to provide the effective internal control system, to manage and control of risks in the suitable level. Specifying the policy concerning to the internal control system, risk management, and monitoring of the evaluation constantly that whether or not the established system goes as planned. However, the audit committee has the duty to review that the elements of the internal control system of the five aspects are comply with effectiveness as follows:

- The business has good control environment.
- The business has proper procedure of risk assessment.
- The business has good control on activities
- The business has good system on information and communications.
- The business has good system on monitoring and evaluation.

3.1.2 The management has duty and responsibility to fulfill the policy which the board of directors has delegated, so the Company determining the management must be treated as it important of the internal control. The management has direct duty and responsibility to provide the internal control system in the company, including works or various activities of all levels or latent in the business methods of the management function by:

- The senior management shall provide the internal control that covers all elements in the Company, encouraging the subordinates discipline and good conscience on the internal control.
- The middle management shall provide the internal control with the responsibility to evaluate the efficiency of the internal control, adjust the system to be complete and review on its compliance.

3.1.3 The employees of all levels must perform their duties by complying with all laws, regulations, rules, announcement, policies, plans, measures, and the internal control system, the management has established. Conduct their duties honestly with care in the performance, and regularly provide the implementation that ensures the efficiency of internal control system. As a result, the operations shall

comply with the goal effectively and economically. All the employees must have the conscience to be aware of the importance of the internal control.

3.1.4 Internal control, the internal auditor has duties and responsibilities of evaluation the internal control, and examination the operating system, periodically and regularly. Updating and assuring that the various control measures are suitable with all significant situation, circumstance, and incidence of risk, with the objective to assist and recommend the senior and middle managements to provide the efficient internal control in the company's business units as the policies:

- The internal auditor is independent and perform their duties in a more effective manner as it deems appropriate according to the profession standard of the internal control
- The internal auditor has the right to request for checking the assets and activities, including the books, accounting, supplementary documents on the records, bookkeeping, correspondences and reports involved.
- The internal auditor can ask the audited units to give data, explanations and delivery of the documents on the audited matters.

However, the personnel of all levels must provide full cooperation to give the availability of information, resource, and material needed by the internal and external auditors which their duties are examination and evaluation to ensure that the internal control sufficient and effective as intended to respond with the company goal, and give recommendation for improvement, as it deems appropriate.

#### **9.1.2 Summary of opinions of the Board of Directors**

In the Audit Committee Meeting No. 1/2022 on February 25, 2022, all 3 Audit Committee members also attended the meeting. The Audit Committee has assessed the Company's internal control system for the year 2021. It can be concluded that from the assessment of the Company's internal control system in various aspects, 5 components are (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information & Communication Systems (5) Monitoring Activities. The Board gave an opinion that the internal control system was effective enough to control the operations of the Company and its subsidiaries. without enough significant flaws.

##### Summary of internal audit report

According to AMPRO Office 2004 as an internal auditor of the Company and its subsidiaries has audited the operations of various departments and internal control assessment of each work system for every quarter of 2021, it was found that the Company and its subsidiaries had adequate internal control systems and did not find any significant errors from the audit.

### Auditor's remarks

EY Office Limited, which is the auditor of the Company and its subsidiaries. There were no deficiencies in the internal control system in accounting that would be presented to the management for acknowledgment.

#### **9.1.3 Opinion of the Audit Committee in case of a different opinion from the Board of Directors (if any)**

-None-

#### **9.1.4 Internal Auditor**

The Company has appointed Mr. Teerachai Meekaew, Managing Partner, accounting office Pros and Cons to perform the duties of internal auditors of the Company and its subsidiaries since 1999 - present (annual contract).

The Audit Committee considered the qualifications of Mr. Teerachai Meekaew and saw that they were appropriate enough to perform such duties due to being independent and has experience in internal auditing in the same business/industry for 30 years. The Company has assigned the Management and Information Technology Department to coordinate with external auditors ( outsource ).

### **9.2 Connected Transactions**

#### **9.2.1 Connected person with possible conflict of interest and nature of the relationship**

| Person / Entity having a conflict of interest   | Relationship  |
|---|---|
| JC Kevin Development CO., Ltd (JC Kevin)<br>Operates the condominium development for sale, office building for rent and hotel business. | <ul style="list-style-type: none"> <li>- Mrs. Chalida Taechaubol (wife of Mr. Apichai) holds 100% of shares.</li> <li>- Mr. Apichai Taechaubol and Mr. Chotiwit Taechaubol (son of Mr. Apichai) are directors of JC Kevin.</li> </ul> |
| JC Kevin Food and Beverage Co., Ltd (JC Food)<br>Operates the hotel management, restaurants, bars and nightclubs.                       | <ul style="list-style-type: none"> <li>- Ms. Varaporn Taechaubol holds 99.01%</li> <li>- Mr. Apichai Taechaubol, Mrs.Chalida Taechaubol (Mr.Apichai's wife) and Mr. Chotiwit Taechaubol are directors of JC Food.</li> </ul>          |
| High Active Consultant Communication Co., Ltd (HACC)<br>Operates the real estate development business.                                  | <ul style="list-style-type: none"> <li>- Mr. Apichai Taechaubol holds 100% of shares.</li> <li>- Mr. Apichai Taechaubol, Mr.Krittawat Taechaubol and Mr.Chotiwit Taechaubol (Mr.Apichai's sons) are directors of HACC.</li> </ul>     |
| JCK Hospitality Public Company Limited (JCKH)<br>Operates the restaurants in various styles : Suki, Shabu,                              | <ul style="list-style-type: none"> <li>- Mr. Apichai Taechaubol holds 23.14% of shares.</li> </ul>  |

| Person / Entity having a conflict of interest  | Relationship   |
|--|--|
| Grilled, Steak House, Fusion Foods, Italian and Chinese restaurants.   |  |
| High Active Consultant Co., Ltd (HAC)<br>Operates the restaurants and also provides the consultant services on food for the restaurants and food shop. | <ul style="list-style-type: none"> <li>- Mr. Chotiwit Taechaubol holds 100% of shares.</li> <li>- Mr. Apichai Taechaubol and Mr. Chotiwit Taechaubol (son of Mr. Apichai) are directors of HAC.</li> </ul>   |
| High Active Consultant Tech Co., Ltd. (HACT)<br>Operates in restaurants business.  | <ul style="list-style-type: none"> <li>- Mr. Chotiwit Taechaubol (son of Mr. Apichai) holding 51% of shares.</li> <li>- Mr. Kittawat Taechaubol holding 29% of shares.</li> <li>- Mr. Apichai Taechaubol and Mr. Kittawat Taechaubol are directors of HACT.</li> </ul> |
| Lobster Power Co., Ltd. (LOBSTER)<br>Operates in restaurants business.   | <ul style="list-style-type: none"> <li>- Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol (wife of Mr. Apichai) are directors of LOBSTER.</li> </ul>   |
| Noname Food & Beverage Co., Ltd. (NONAME)<br>Operates in restaurants business.   | <ul style="list-style-type: none"> <li>- Mr. Apichai Taechaubol is director of NONAME.</li> </ul>  |
| Mr. Apichai Taechaubol   | <ul style="list-style-type: none"> <li>- Executive Chairman and major shareholder of the Company.</li> </ul>   |
| Mrs. Chalida Taechaubol  | <ul style="list-style-type: none"> <li>- Wife of Mr. Apichai Taechaubol and a shareholder of the Company.</li> </ul>   |
| Mr. Kittawat Taechaubol  | <ul style="list-style-type: none"> <li>- Son of Mr. Apichai Taechaubol, Executive Director and Director Deputy Managing Director of the Company.</li> </ul>  |



## 9.2.2 Connected transactions between the Company and subsidiaries with the persons who may have the conflict of interest.

During 2019 - 2021, the Company and its subsidiaries had entered in to the following transactions with persons who may have the possible conflict of interest from such transactions, but without the conflict of interest as follows:

### Transactions related to general business operation

| Connected person with possible conflict of interest | Company | Nature of transaction  | Value (Million Baht) |               |               | Necessity and Rationality   |
|---|---------|--|----------------------|---------------|---------------|---|
|   |         |  | Year 2019            | Year 2020     | Year 2021     |   |
| JC Food   | JCK     | <u>Deposit paid for the purchase of a unit</u><br><br><u>Trade and other receivables</u>   | 41.5<br><br>-        | 41.5<br><br>- | -<br><br>36.5 | <p>JC Food sets the selling price to JCK lower than the appraised value and the market price. During the year 2021, JCK has resolved to cancel the contract to buy and sell that unit due to the severe epidemic of Coronavirus 2019. The seller has agreed to cancel the contract and on November 16, 2021, the seller has agreed to return the full deposit to the Company by agreeing to pay the said deposit in 8 installments from December 2021 until July 2022.</p> <p><u>Opinion of the Audit Committee</u><br/>The Audit Committee was of the opinion that it is a reasonable transaction.</p> |
| JC Kevin  | JCK     | <u>Entertainment Expenses:</u> JCK has used JC Kevin's restaurant and hotel to host the receptions and used the meeting rooms for Board and shareholders' meeting. | 1.40                 | 0.30          | -             | <p>JC Kevin charges a normal customer price.</p> <p><u>Opinion of the Audit Committee</u><br/>The Audit Committee was of the opinion that it is a reasonable transaction and facilitate JCK to host receptions and meetings.<br/>The Company has considered renting office space from JC Kevin</p>  |

| Connected person with possible conflict of interest | Company | Nature of transaction  | Value (Million Baht) |           |           | Necessity and Rationality  |
|---|---------|--|----------------------|-----------|-----------|--|
|   |         |  | Year 2019            | Year 2020 | Year 2021 |  |
|   |         | <u>Office rental fee:</u> JCK has agreed to lease office space from JC Kevin on the 2 <sup>nd</sup> and 4 <sup>th</sup> -6 <sup>th</sup> floors with a total area of 1, 695.44 sq.m. to be used as the Headquarters of JCK with the rental rate and service fee of 805,334 Baht per month with the condition to pay the rent in advance throughout the 3-year rental period, the Company will receive a rental discount of 9% per year which the Company agrees to pay the rent in advance with a discount under the aforementioned conditions | 8.87                 | 8.33      | 10.06     | because it is a new building with enough rental space to meet the demand and the rental rate is comparable to that of nearby office buildings.<br><br><u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction. |
|   |         | <u>Prepaid building rental and services</u> (classified as Right of use of assets from the first implementation of the Financial Reporting Standard No.16)   | 22.90                | 14.57     | 6.25      |  |
|   |         | <u>Advance Deposit</u>   | 5.02                 | 5.02      | 5.02      |  |
|   |         | <u>Other creditors</u>   | 1.25                 | 0.98      | 0.45      |  |
| JCKH  | SG      | <u>Rental and service income:</u> JCKH has entered into an office space lease agreement from SG with a total area of 299 sq.m. to be used as a   | 2.19                 | 2.20      | 0.82      | The rental price is the same rate that is charged to the general customers and with normal trading conditions.   |

| Connected person with possible conflict of interest | Company | Nature of transaction  | Value (Million Baht) |                  |                  | Necessity and Rationality   |
|---|---------|--|----------------------|------------------|------------------|---|
|   |         |  | Year 2019            | Year 2020        | Year 2021        |   |
|   |         | restaurant location. Rental and service fees are Baht 194,350 per month (Baht 650 per sq.m.) Terms of lease is 3 years, expires on July 31, 2022. Subsequently, in March 2021, JCKH has terminated the agreement of the said area and change the tenant to the company Hi Active Consultants Co., Ltd instead.<br><br><u>Deposit for building rental and service</u><br><br><u>Trade accounts receivable</u> | 0.58<br><br>1.71     | 0.58<br><br>3.44 | -<br><br>5.22    | <u>Opinion of the Audit Committee</u><br><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions.  |
| JCKH  | JCK     | <u>Entertainment expenses:</u> JCK bought the restaurant vouchers from JCKH and used the services of JCKH's restaurants for receptions<br><br><u>Other creditors</u>   | 1.35<br><br>1.09     | 1.52<br><br>1.31 | 3.12<br><br>0.63 | JCKH charge the vouchers and services fees at their actual value which is equal to the rates sold to other third parties.<br><br><u>Opinion of the Audit Committee</u><br><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions. |
| JCKH  | JCKU    | <u>Entertainment expenses:</u> JCKU has used the services of JCKH's restaurants for receptions<br><br><u>Other creditors</u>   | -<br><br>-           | 2.88<br><br>0.62 | 0.17<br><br>-    | JCKH charge the expenses at the actual price which is equal to the rates sold to other third parties.<br><br><u>Opinion of the Audit Committee</u><br><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions.                     |

| Connected person with possible conflict of interest | Company | Nature of transaction   | Value (Million Baht) |           |           | Necessity and Rationality  |
|---|---------|---|----------------------|-----------|-----------|--|
|   |         |   | Year 2019            | Year 2020 | Year 2021 |  |
| HAC   | SG      | <u>Rental and services Income</u> : HAC has agreed to lease office space from SG with total area of 518 sq.m. to be used as a restaurant location. Rental and service fees is 336,700 Baht per month (Baht 650 per sq.m). The term is 3 years expires on July 31, 2022. Subsequently, in March 2021, HAC has agreed to lease an additional area of 299 sq.m. for use as a restaurant location. Rental and service fees are Baht 194,350 per month (Baht 650 per sq.m.) with the lease contract of 1 year 5 months, ending July 31, 2022 | 3.27                 | 2.55      | 8.05      | The rental price is the same rate that is charged to the general customers and with normal trading conditions.<br><br><u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions. |
|   |         | <u>Deposit for building rental and service</u>  | 1.01                 | 0.20      | 0.88      |  |
|   |         | <u>Trade account receivables</u>  | 4.65                 | 5.60      | 12.87     |  |
| HAC   | JCK     | <u>Entertainment expenses</u> : JCK has used the services of HAC's restaurants for receptions   | -                    | 0.52      | 4.29      | HAC charges the service fees at the actual price which equal to the rate charged to general third party.<br><br><u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions.       |
|   |         | <u>Other account payable</u>  | -                    | 1.28      | 4.30      |  |
| HAC   | JCKU    | <u>Entertainment expenses</u> : JCKU has used the services of HAC's restaurants for receptions  | -                    | 0.97      | 0.14      | HAC charges the service fees at the actual price which equal to the rate charged to general third party.   |

| Connected person with possible conflict of interest | Company | Nature of transaction   | Value (Million Baht) |           |           | Necessity and Rationality  |
|---|---------|---|----------------------|-----------|-----------|--|
|   |         |   | Year 2019            | Year 2020 | Year 2021 |  |
|   |         | <u>Other account payable</u>  | -                    | 0.28      | -         | <u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions.   |
| HACC  | JCK     | <u>Deposit for a purchase of real estate project :</u><br>JCK has made a deposit agreement for the purchase of land at the Ladkrabang Subdistrict , Ladkrabang District, Bangkok, with total area of 31-0-79.9 rai.<br><br><u>Other receivables</u><br><br><u>Interest Income</u> | 65.00                | -         | -         | JCK has agreed to enter into the purchase and sell agreement of land as the Company foresee the land has a potential location and can be used to develop a variety of projects and the selling price is lower than the appraised value and the sale condition was good. However, due to the epidemic of the Coronavirus 2019 which has affected the overall economy, JCK has revised its action plan by May 20, 2020, JCK has entered into a memorandum of understanding to cancel the said land purchase and sell agreement and HACC has agreed to return the deposit money within 1 year plus interest rate of 7.5% per annum by payment in installments. In October 2021, the Company has received the full amount of deposit back.<br><br><u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction. |
| HACT  | SG      | <u>Rental and service income :</u> HACT has agreed to lease the office space from SG with total area of 114 sq.m. to be used as a restaurant location with the rental and service fees of Baht 33,500 per month (Baht 293.86 per  | -                    | 0.54      | 0.55      | The rental price is the same rate that is charged to the general customers and with normal trading conditions<br><u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction.  |

| Connected person with possible conflict of interest | Company | Nature of transaction   | Value (Million Baht) |                  |                  | Necessity and Rationality  |
|---|---------|---|----------------------|------------------|------------------|--|
|   |         |   | Year 2019            | Year 2020        | Year 2021        |  |
|   |         | sq.m) , with the term of 3 years , ending June 30, 2023.<br><br><u>Trade account receivables</u>  | -                    | 0.67             | 0.70             |  |
| LOBSTER   | JCK     | <u>Entertainment expenses</u> : JCK bought the restaurant vouchers from LOBSTER and used the services of the restaurants for receptions<br><br><u>Other payable</u> | 0.16<br><br>0.16     | 0.07<br><br>0.40 | 0.19<br><br>0.19 | LOBSTER charges the service fees at the actual price which equal to the rate charged to general third party.<br><br><u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions.   |
| NONAME  | JCK     | <u>Entertainment expenses</u> : JCK has used the services of the restaurants NONAME for receptions.<br><br><u>Other payable</u>                                     | 0.12<br><br>0.12     | 0.07<br><br>0.14 | 0.14<br><br>0.14 | NONAME charges the service fees at the actual price which equal to the rate charged to general third party.<br><br><u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions   |
| BGY&TFD   | JCK     | <u>Interest Paid</u>  | -                    | -                | 2.40             | The short-term borrowing from related company in form of Promissory Notes with the interest of 6.00% per annum and repayment at call with no collateral.<br><br><u>Opinion of the Audit Committee</u><br>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions. |

| Connected person with possible conflict of interest | Company | Nature of transaction                           | Value (Million Baht) |           |           | Necessity and Rationality  |
|---|---------|---|----------------------|-----------|-----------|--|
|   |         |   | Year 2019            | Year 2020 | Year 2021 |  |
| BGY&TFD   | Crown   | <u>Interest paid</u>                            | -                    | -         | 2.1       | <p>The short-term borrowing from related company in form of Promissory Notes with the interest of 6.00% per annum and repayment at call with no collateral.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions.</p>  |
| BGY&TFD   | Crown   | <u>Consulting and project management Income</u> | -                    | -         | 57.00     | <p>Consulting and project management Income.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee was of the opinion that it is a reasonable transaction and in accordance with general trading conditions.</p>   |
| Schubert Holdings Pte. Ltd.                         | SG      | <u>Accrued Dividends</u>                        | -                    | -         | 14.98     | <p>Calculated according to the normal rate of return on shareholders.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee was of the opinion that it is a reasonable transaction.</p>  |
| CTL/DAL/DAA   | RDR     | <u>Joint Operation</u>                          | -                    | -         | 2.11      | <p>JCK has interests in joint operations which is a joint arrangement whereby the Group has rights to assets and obligations in respect of liabilities related to the arrangement.</p> <p>During the year 2021, the Board of Directors' meeting has a resolution to approve the investment plan in real estate business in the northern region and the signing of a joint operation contract. On October 28, 2021, the Company has entered into a joint -operation</p> |

| Connected person<br>with possible<br>conflict of interest | Company | Nature of transaction | Value (Million Baht) |              |              | Necessity and Rationality   |
|---|---------|-----------------------|----------------------|--------------|--------------|---|
|   |         |                       | Year<br>2019         | Year<br>2020 | Year<br>2021 |   |
|   |         |                       |                      |              |              | <p>agreement at the 51% proportion with 3 limited companies which are the owner of the land used for the joint operations.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee was of the opinion that it is a reasonable transaction</p> |



Transaction of loans between the Company and its subsidiaries and connected parties which may lead to conflict of interest

- None -

Guarantee of financial institution loans

| Connected person with possible conflict of interest | Borrower | Guarantor | Total Amount (million Baht) as of Dec 31, 2021 | Outstanding (million Baht) |                    |                    | Nature of Transaction | Necessity and Rationale  |
|---|----------|-----------|--|----------------------------|--------------------|--------------------|-----------------------|--|
|   |          |           |  | As of Dec 31, 2019         | As of Dec 31, 2020 | As of Dec 31, 2021 |                       |  |
| Mr. Apichai Taechaubol                              | JCK      | ✓         | 1,600.00                                       | 971.78                     | 983.00             | 881.54             | Personal Guarantee    | This guarantee was corresponding to borrowing conditions of a financial institution of which the project loan was used as a working capital of the business and for the procurement of lands and building projects operated by JCK and its subsidiaries which were the project loans, which would benefit the Company and its subsidiaries businesses.<br><u>The Audit Committee's opinion.</u><br>The Audit Committee was of opinion that the transactions were necessary and deemed reasonable and appropriate, which would benefit to the operating performance of both JCK and its subsidiaries. |
|   | JCKU     | ✓         | 300.00   | -                          | -                  | 279.00             |                       |  |
|   | CROWN    | ✓         | 55.00  | 48.36                      | 46.39              | 46.30              |                       |  |

**9.2.3 The approval measures or process of connected transactions**

The Board of Directors will approve a connected transaction as follows:

- The Management shall prepare and submit the report to the Board of Directors. The report should contain sufficient and comprehensive information for consideration in order to protect the investors and should also provide the explanation of the necessity and appropriateness of the transaction.
- Any related person shall have no right to vote.
- Appraisal by acceptable and recognized independent appraiser is also required.
- Opinion from the independent or member of the Audit Committee is required.
- Such transaction has to complied with the legal or related regulations.

If a connected transaction meets a guideline which was given by the Board of Directors or if such transaction is a normal business transaction, the transaction will be considered subject to an approval by the Executive Board and / or the management.

## Part 3 Financial Statements

JCK International Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2021

## Independent Auditor's Report

To the Shareholders of JCK International Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of JCK International Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 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 JCK International 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 JCK International Public Company Limited and its subsidiaries and of JCK International Public Company Limited as at 31 December 2021, 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 as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of matter**

I draw attention to the following matters:

As discussed in Note 1.2 to the consolidated financial statements, multiple wave of the Coronavirus disease 2019 pandemic has slowed down the economic recovery and has adversely impacted most businesses and industries.

This situation has significantly affected the Group business activities in terms of sales and transfer of ownership. This is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to continue in the future. However, the impact cannot be reasonably estimated at this stage. Currently, the Company is requesting the extension period for loan repayment to a bank and the management believes that the bank will approve the request.

The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

My opinion is not qualified in respect of these matters.

### **Key Audit Matters**

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

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

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

Compliance with covenants stipulated in borrowing agreements

As at 31 December 2021, the Group had bills of exchange, promissory notes, loans from unrelated parties and financial institutions, and debentures totaling Baht 5,217 million or 78 of total liabilities (Separate financial statements: Baht 4,826 million or 79 of total liabilities), as discussed in Notes 17, 19 and 21 to the financial statements. Under the borrowing agreements, the Group needs to comply with certain covenants, if the Group is unable to comply with those covenants, this may cause the lenders to call the loans and resulted in the reclassification of the liabilities from non-current liabilities to current liabilities, which could impact on the going concern of the Group.

I read the borrowing agreements and gained an understanding of the process of management's monitoring compliance with the covenants and testing for compliance with both non-financial and financial covenants, including whether financial ratios are in line with those stipulated in the borrowing agreements. In addition, I reviewed the disclosures made with respect to covenants in the notes to the financial statements.

Allowance for diminution in value of project development cost

As at 31 December 2021, the Group had an outstanding balance of project development cost totaling Baht 5,883 million, or 67% of total assets (Separate financial statements: Baht 4,706 million or 58% of total assets), as disclosed in Note 9 to the financial statements. The estimating of the allowance for diminution in the value of project development cost is an area of significant management judgement. This requires analysis of the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the allowance for diminution in value of project development cost.

I gained an understanding of the process of the Group relevant to the determination of allowance for diminution in value of project development cost. I assessed the method and the assumption applied by the management in determining the provision for diminution in value of project development cost and for those property projects of which the fair value has been appraised by an independent appraiser, I reviewed the assumptions and method applied by the independent appraiser in determining the fair value.

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

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



Siraporn Ouaanunkun  
Certified Public Accountant (Thailand) No. 3844

EY Office Limited  
Bangkok: 28 February 2022

## JCK International Public Company Limited and its subsidiaries

## Statement of financial position

As at 31 December 2021

(Unit: Baht)

|   | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|   |      | 2021                              | 2020                 | 2021                          | 2020                 |
| <b>Assets</b>   |      |                                   |                      |                               |                      |
| <b>Current assets</b>   |      |                                   |                      |                               |                      |
| Cash and cash equivalents   | 7    | 75,520,632                        | 14,733,180           | 22,415,824                    | 2,753,107            |
| Trade and other receivables   | 8    | 145,937,029                       | 145,508,613          | 129,898,486                   | 124,425,414          |
| Short-term loans to related parties and interest receivable                                   | 6    | 7,180,719                         | 7,180,719            | -                             | 1,006,825,166        |
| Project development costs   | 9    | 5,883,388,717                     | 5,858,138,567        | 4,705,892,899                 | 4,656,827,777        |
| Deposit for purchase of land and condominium unit   |      | 177,016,250                       | 148,990,000          | 177,016,250                   | 148,990,000          |
| Cost to obtain contracts with customer  |      | -                                 | 23,249,229           | -                             | -                    |
| Other current financial assets  |      | 2,264,000                         | 980,000              | 2,264,000                     | 980,000              |
| Other current assets  |      | 26,746,086                        | 22,165,725           | 11,462,534                    | 3,217,301            |
| <b>Total current assets</b>   |      | <b>6,318,053,433</b>              | <b>6,220,946,033</b> | <b>5,048,949,993</b>          | <b>5,944,018,765</b> |
| <b>Non-current assets</b>   |      |                                   |                      |                               |                      |
| Restricted bank deposits  | 10   | 30,778,809                        | 30,577,651           | 28,965,704                    | 28,782,632           |
| Other non-current financial assets  | 11   | 133,813,825                       | 123,454,045          | 133,813,825                   | 123,454,045          |
| Short-term loans to related parties and interest receivable, classified as non-current assets | 6    | -                                 | -                    | 1,072,699,618                 | 288,424,705          |
| Investments in subsidiaries   | 12   | -                                 | -                    | 909,122,107                   | 1,150,027,107        |
| Investment in joint venture   | 13   | 343,707,329                       | 263,767,371          | -                             | -                    |
| Investment properties   | 15   | 973,244,244                       | 902,109,500          | 12,726,151                    | -                    |
| Equipment   | 16   | 180,422,326                       | 44,140,126           | 179,653,243                   | 43,224,613           |
| Right-of-use assets   | 22   | 538,076,641                       | 567,483,822          | 537,333,582                   | 566,288,367          |
| Deferred tax assets   | 29   | 205,580,792                       | 246,861,783          | 155,874,384                   | 145,303,509          |
| Income tax receivable   |      | 44,740,763                        | 48,072,509           | 10,904,747                    | 4,972,658            |
| Other non-current assets  |      | 13,903,202                        | 12,179,461           | 9,354,909                     | 10,511,406           |
| <b>Total non-current assets</b>   |      | <b>2,464,267,931</b>              | <b>2,238,646,268</b> | <b>3,050,448,270</b>          | <b>2,360,989,042</b> |
| <b>Total assets</b>   |      | <b>8,782,321,364</b>              | <b>8,459,592,301</b> | <b>8,099,398,263</b>          | <b>8,305,007,807</b> |

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

JCK International Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

|  | Note | Consolidated financial statements |                      | Separate financial statements |                      |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
|  |      | 2021                              | 2020                 | 2021                          | 2020                 |
| <b>Liabilities and shareholders' equity</b>  |      |                                   |                      |                               |                      |
| <b>Current liabilities</b>                   |      |                                   |                      |                               |                      |
| Bank overdrafts and short-term loans         | 17   | 404,874,454                       | 412,096,413          | 375,057,675                   | 372,368,968          |
| Trade and other payables                     | 18   | 240,922,830                       | 218,665,910          | 227,566,898                   | 202,386,104          |
| Advance received from customers              |      | 150,832,820                       | 126,038,199          | 70,831,016                    | 35,589,535           |
| Short-term loans from related parties        |      |                                   |                      |                               |                      |
| and interest payable                         | 6    | 177,553,178                       | 8,003,443            | 249,775,740                   | 234,146,533          |
| Current portion of debentures                | 19   | 731,381,418                       | 2,118,805,015        | 731,381,418                   | 2,118,805,015        |
| Current portion of long-term loans           | 21   | 972,466,529                       | 442,444,972          | 920,613,913                   | 397,506,083          |
| Current portion of long-term loans           |      |                                   |                      |                               |                      |
| from related party and interest payable      | 6    | 723,813                           | 45,000,000           | -                             | -                    |
| Current portion of lease liabilities         | 22   | 89,788,074                        | 36,267,176           | 42,195,805                    | 27,093,040           |
| Income tax payable                           |      | 602,359                           | 2,616,376            | -                             | -                    |
| Other current liabilities                    |      | 94,002,650                        | 62,650,963           | 89,103,017                    | 57,420,436           |
| <b>Total current liabilities</b>             |      | <b>2,863,148,125</b>              | <b>3,472,588,467</b> | <b>2,706,525,482</b>          | <b>3,445,315,714</b> |
| <b>Non-current liabilities</b>               |      |                                   |                      |                               |                      |
| Debentures, net of current portion           | 19   | 2,769,463,033                     | 1,489,001,089        | 2,769,463,033                 | 1,489,001,089        |
| Long-term loans, net of current portion      | 21   | 339,202,850                       | 748,340,456          | 30,000,000                    | 659,074,724          |
| Long-term loans from related party           |      |                                   |                      |                               |                      |
| and interest payable, net of current portion | 6    | -                                 | 4,723,813            | -                             | -                    |
| Lease liabilities, net of current portion    | 22   | 624,999,900                       | 531,806,994          | 547,548,522                   | 523,376,398          |
| Deposit received                             |      | 72,104,497                        | 67,905,656           | 821,910                       | 821,910              |
| Provisions for long-term employee benefits   | 23   | 40,137,233                        | 33,287,922           | 27,816,263                    | 22,423,069           |
| Other non-current liabilities                |      | 3,907,840                         | 3,385,250            | 2,770,000                     | 2,610,000            |
| <b>Total non-current liabilities</b>         |      | <b>3,849,815,353</b>              | <b>2,878,451,180</b> | <b>3,378,419,728</b>          | <b>2,697,307,190</b> |
| <b>Total liabilities</b>                     |      | <b>6,712,963,478</b>              | <b>6,351,039,647</b> | <b>6,084,945,210</b>          | <b>6,142,622,904</b> |

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

JCK International Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

|  | Note | Consolidated financial statements |                        | Separate financial statements |                        |
|--|------|-----------------------------------|------------------------|-------------------------------|------------------------|
|  |      | 2021                              | 2020                   | 2021                          | 2020                   |
| <b>Shareholders' equity</b>                          |      |                                   |                        |                               |                        |
| Share capital  | 24   |                                   |                        |                               |                        |
| Registered   |      |                                   |                        |                               |                        |
| 4,438,806,550 ordinary shares of Baht 1 each         |      |                                   |                        |                               |                        |
| (2020: 3,220,551,718 ordinary shares of Baht 1 each) |      | <u>4,438,806,550</u>              | <u>3,220,551,718</u>   | <u>4,438,806,550</u>          | <u>3,220,551,718</u>   |
| Issued and fully paid up                             |      |                                   |                        |                               |                        |
| 2,302,750,962 ordinary shares of Baht 1 each         |      |                                   |                        |                               |                        |
| (2020: 2,147,034,479 ordinary shares of Baht 1 each) |      | <u>2,302,750,962</u>              | <u>2,147,034,479</u>   | <u>2,302,750,962</u>          | <u>2,147,034,479</u>   |
| Share premium  |      | <u>1,842,974,582</u>              | <u>1,818,635,340</u>   | <u>1,842,974,582</u>          | <u>1,818,635,340</u>   |
| Retained earnings                                    |      |                                   |                        |                               |                        |
| Appropriated - statutory reserve                     | 26   | <u>50,655,721</u>                 | <u>50,655,721</u>      | <u>50,655,721</u>             | <u>50,655,721</u>      |
| Unappropriated (deficit)                             |      | <u>(2,083,918,910)</u>            | <u>(1,859,404,580)</u> | <u>(2,170,048,998)</u>        | <u>(1,833,773,599)</u> |
| Other components of shareholders' equity             |      | <u>(198,617,947)</u>              | <u>(206,905,771)</u>   | <u>(11,879,214)</u>           | <u>(20,167,038)</u>    |
| Equity attributable to owners of the Company         |      | <u>1,913,844,408</u>              | <u>1,950,015,189</u>   | <u>2,014,453,053</u>          | <u>2,162,384,903</u>   |
| Non-controlling interests of the subsidiary          |      | <u>155,513,478</u>                | <u>158,537,465</u>     | <u>-</u>                      | <u>-</u>               |
| <b>Total shareholders' equity</b>                    |      | <u>2,069,357,886</u>              | <u>2,108,552,654</u>   | <u>2,014,453,053</u>          | <u>2,162,384,903</u>   |
| <b>Total liabilities and shareholders' equity</b>    |      | <u>8,782,321,364</u>              | <u>8,459,592,301</u>   | <u>8,099,398,263</u>          | <u>8,305,007,807</u>   |

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

Directors

JCK International Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

|   | <u>Note</u> | <u>Consolidated financial statements</u> |                      | <u>Separate financial statements</u> |                      |
|---|-------------|--|----------------------|--------------------------------------|----------------------|
|   |             | <u>2021</u>                              | <u>2020</u>          | <u>2021</u>                          | <u>2020</u>          |
| <b>Profit or loss:</b>                            |             |  |                      |                                      |                      |
| <b>Revenues</b>                                   |             |  |                      |                                      |                      |
| Revenue from sale                                 |             | 259,313,175                              | 131,391,500          | 213,843,375                          | 25,500,000           |
| Revenue from rental and services                  |             | 248,735,952                              | 256,001,665          | 23,311,133                           | 19,124,666           |
| Gain on sales of investment properties            |             | 7,776,207                                | -                    | -                                    | -                    |
| Project consultancy income                        | 6           | -  | -                    | 56,074,766                           | -                    |
| Other income                                      |             |  |                      |                                      |                      |
| Dividend income                                   |             | 10,618,775                               | 10,297,117           | 25,599,287                           | 10,297,117           |
| Others  |             | 42,666,936                               | 12,094,363           | 21,030,142                           | 19,524,715           |
| <b>Total revenues</b>                             |             | <u>569,111,045</u>                       | <u>409,784,645</u>   | <u>339,858,703</u>                   | <u>74,446,498</u>    |
| <b>Expenses</b>                                   |             |  |                      |                                      |                      |
| Cost of sales                                     |             | 176,951,926                              | 99,924,306           | 135,821,111                          | 13,408,538           |
| Cost of rental and services                       |             | 151,705,017                              | 153,409,938          | 13,812,198                           | 14,855,142           |
| Selling expenses                                  |             | 51,940,308                               | 27,317,579           | 19,310,105                           | 12,120,506           |
| Administrative expenses                           |             | 193,828,619                              | 198,426,773          | 197,041,468                          | 148,031,178          |
| <b>Total expenses</b>                             |             | <u>574,425,870</u>                       | <u>479,078,596</u>   | <u>365,984,882</u>                   | <u>188,415,364</u>   |
| <b>Operating loss</b>                             |             | <u>(5,314,825)</u>                       | <u>(69,293,951)</u>  | <u>(26,126,179)</u>                  | <u>(113,968,866)</u> |
| Share of profit from investments in joint venture | 13          | 238,014,725                              | 143,472,852          | -                                    | -                    |
| Finance income                                    |             | 3,518,821                                | 5,546,274            | 50,787,122                           | 62,205,687           |
| Finance cost                                      | 27          | <u>(401,724,916)</u>                     | <u>(386,043,368)</u> | <u>(373,579,173)</u>                 | <u>(375,894,298)</u> |
| <b>Loss before income tax</b>                     |             | <u>(165,506,195)</u>                     | <u>(306,318,213)</u> | <u>(348,918,230)</u>                 | <u>(427,657,477)</u> |
| Income tax benefits (expenses)                    | 29          | <u>(47,012,635)</u>                      | <u>16,367,099</u>    | <u>12,642,831</u>                    | <u>7,032,765</u>     |
| <b>Loss for the year</b>                          |             | <u>(212,518,830)</u>                     | <u>(289,951,114)</u> | <u>(336,275,399)</u>                 | <u>(420,624,712)</u> |

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

JCK International Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

|   |      | Consolidated financial statements |               | Separate financial statements |               |
|---|------|-----------------------------------|---------------|-------------------------------|---------------|
|   | Note | 2021                              | 2020          | 2021                          | 2020          |
| Other comprehensive income:   |      |                                   |               |                               |               |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods                         |      |                                   |               |                               |               |
| Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income |      | 10,359,780                        | (26,762,765)  | 10,359,780                    | (26,762,765)  |
| Less: Income tax effect   | 29   | (2,071,956)                       | 5,352,553     | (2,071,956)                   | 5,352,553     |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax     |      |                                   |               |                               |               |
| Other comprehensive income for the year   |      | 8,287,824                         | (21,410,212)  | 8,287,824                     | (21,410,212)  |
| Total comprehensive income for the year   |      | (204,231,006)                     | (311,361,326) | (327,987,575)                 | (442,034,924) |
| Profit or loss attributable to:   |      |                                   |               |                               |               |
| Equity holders of the Company   |      | (224,514,330)                     | (309,454,764) | (336,275,399)                 | (420,624,712) |
| Non-controlling interests of the subsidiary   |      | 11,995,500                        | 19,503,650    |                               |               |
|   |      | (212,518,830)                     | (289,951,114) |                               |               |
| Total comprehensive income attributable to:   |      |                                   |               |                               |               |
| Equity holders of the Company   |      | (216,226,506)                     | (330,864,976) | (327,987,575)                 | (442,034,924) |
| Non-controlling interests of the subsidiary   |      | 11,995,500                        | 19,503,650    |                               |               |
|   |      | (204,231,006)                     | (311,361,326) |                               |               |
| Earnings per share  | 30   |                                   |               |                               |               |
| Basic earnings per share  |      |                                   |               |                               |               |
| Loss attributable to equity holders of the Company  |      | (0.1033)                          | (0.1441)      | (0.1547)                      | (0.1959)      |

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

JCK International Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2021

|  | Consolidated financial statements            |               |                                  |   |  |   |  |  |   |                            |  | (Unit: Baht) |
|--|--|---------------|----------------------------------|---|--|---|--|--|---|----------------------------|--|--------------|
|  | Equity attributable to owners of the Company |               |                                  |   |  |   |  |  |   |                            |  |              |
|  | Other components of shareholders' equity     |               |                                  |   |  |   |  |  |   |                            |  |              |
|  | Other  |               |                                  |   |  |   |  |  |   |                            |  |              |
|  | comprehensive income                         |               |                                  |   |  |   |  |  |   |                            |  |              |
|  | Issued and fully paid-up share capital       | Share premium | Retained earnings                | Surplus (deficit) on changes in value of investment in equity | Difference from changing investment proportion in subsidiary | Deficits from business combination under common control | Total other components of shareholders' equity | Total equity attributable to owners of the Company | Non-controlling interests of the subsidiary | Total shareholders' equity |  |              |
|  |  |               | Appropriated - statutory reserve | Unappropriated (deficit)                                      |  |   |  |  |   |                            |  |              |
| Balance as at 1 January 2020   | 2,147,034,141                                | 1,818,634,495 | 50,655,721                       | (1,549,949,816)   | 1,243,174  | (45,699,839)  | (141,038,894)                                  | 2,280,878,982                                      | 139,033,815                                 | 2,419,912,797              |  |              |
| Profit or loss for the year  | -  | -             | -                                | (309,454,764)   | -  | -   | -  | (309,454,764)                                      | 19,503,650                                  | (289,951,114)              |  |              |
| Other comprehensive income for the year                                | -  | -             | -                                | -   | (21,410,212)   | -   | (21,410,212)                                   | (21,410,212)                                       | -   | (21,410,212)               |  |              |
| Total comprehensive income for the year                                | -  | -             | -                                | (309,454,764)   | (21,410,212)   | -   | (21,410,212)                                   | (330,864,976)                                      | 19,503,650                                  | (311,361,326)              |  |              |
| Increase in share capital from exercise of warrants                    | 338  | 845           | -                                | -   | -  | -   | -  | 1,183  | -   | 1,183                      |  |              |
| Balance as at 31 December 2020   | 2,147,034,479                                | 1,818,635,340 | 50,655,721                       | (1,859,404,580)   | (20,167,038)   | (45,699,839)  | (141,038,894)                                  | 1,950,015,189                                      | 158,537,465                                 | 2,108,552,654              |  |              |
| Balance as at 1 January 2021   | 2,147,034,479                                | 1,818,635,340 | 50,655,721                       | (1,859,404,580)   | (20,167,038)   | (45,699,839)  | (141,038,894)                                  | 1,950,015,189                                      | 158,537,465                                 | 2,108,552,654              |  |              |
| Profit or loss for the year  | -  | -             | -                                | (224,514,330)   | -  | -   | -  | (224,514,330)                                      | 11,995,500                                  | (212,518,830)              |  |              |
| Other comprehensive income for the year                                | -  | -             | -                                | -   | 8,287,824  | -   | 8,287,824                                      | 8,287,824  | -   | 8,287,824                  |  |              |
| Total comprehensive income for the year                                | -  | -             | -                                | (224,514,330)   | 8,287,824  | -   | 8,287,824                                      | (216,226,506)                                      | 11,995,500                                  | (204,231,006)              |  |              |
| Increase share capital (Note 24)                                       | 105,560,813                                  | 24,438,987    | -                                | -   | -  | -   | -  | 129,999,800  | -   | 129,999,800                |  |              |
| Convert convertible debentures to issued and paid-up capital (Note 20) | 50,155,670                                   | (99,745)      | -                                | -   | -  | -   | -  | 50,055,925   | -   | 50,055,925                 |  |              |
| Dividend of subsidiary paid (Note 12)                                  | -  | -             | -                                | -   | -  | -   | -  | -  | (15,019,487)                                | (15,019,487)               |  |              |
| Balance as at 31 December 2021   | 2,302,750,962                                | 1,842,974,582 | 50,655,721                       | (2,083,918,910)   | (11,879,214)   | (45,699,839)  | (141,038,894)                                  | 1,913,844,408                                      | 155,513,478                                 | 2,069,357,886              |  |              |

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



JCK International Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 December 2021

|  | Separate financial statements          |               |                                  |   |              |                            | (Unit: Baht) |
|--|--|---------------|----------------------------------|---|--------------|----------------------------|--------------|
|  |  |               |                                  | Other components of equity                  |              |                            |              |
|  |  |               |                                  | Other comprehensive income                  |              |                            |              |
|  |  |               |                                  | Surplus (deficit)                           |              |                            |              |
|  | Issued and fully paid-up share capital | Share premium | Retained earnings                | on changes in value of investment in equity |              | Total shareholders' equity |              |
|  |  |               | Appropriated - statutory reserve | Unappropriated (deficit)                    |              |                            |              |
| Balance as at 1 January 2020   | 2,147,034,141                          | 1,818,634,495 | 50,655,721                       | (1,413,148,887)                             | 1,243,174    | 2,604,418,644              |              |
| Loss for the year  | -                                      | -             | -                                | (420,624,712)                               | -            | (420,624,712)              |              |
| Other comprehensive income for the year                                | -                                      | -             | -                                | -   | (21,410,212) | (21,410,212)               |              |
| Total comprehensive income for the year                                | -                                      | -             | -                                | (420,624,712)                               | (21,410,212) | (442,034,924)              |              |
| Increase in share capital from exercise of warrants                    | 338                                    | 845           | -                                | -   | -            | 1,183                      |              |
| Balance as at 31 December 2020   | 2,147,034,479                          | 1,818,635,340 | 50,655,721                       | (1,833,773,599)                             | (20,167,038) | 2,162,384,903              |              |
| Balance as at 1 January 2021   | 2,147,034,479                          | 1,818,635,340 | 50,655,721                       | (1,833,773,599)                             | (20,167,038) | 2,162,384,903              |              |
| Loss for the year  | -                                      | -             | -                                | (336,275,399)                               | -            | (336,275,399)              |              |
| Other comprehensive income for the year                                | -                                      | -             | -                                | -   | 8,287,824    | 8,287,824                  |              |
| Total comprehensive income for the year                                | -                                      | -             | -                                | (336,275,399)                               | 8,287,824    | (327,987,575)              |              |
| Increase share capital (Note 24)                                       | 105,560,813                            | 24,438,987    | -                                | -   | -            | 129,999,800                |              |
| Convert convertible debentures to issued and paid-up capital (Note 20) | 50,155,670                             | (99,745)      | -                                | -   | -            | 50,055,925                 |              |
| Balance as at 31 December 2021   | 2,302,750,962                          | 1,842,974,582 | 50,655,721                       | (2,170,048,998)                             | (11,879,214) | 2,014,453,053              |              |

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

**JCK International Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2021**

(Unit: Baht)

|  | <b>Consolidated financial statements</b> |                            | <b>Separate financial statements</b> |                             |
|--|--|----------------------------|--------------------------------------|-----------------------------|
|  | <b><u>2021</u></b>                       | <b><u>2020</u></b>         | <b><u>2021</u></b>                   | <b><u>2020</u></b>          |
| <b>Cash flows from operating activities</b>                  |  |                            |                                      |                             |
| Loss before tax  | (165,506,195)                            | (306,318,213)              | (348,918,230)                        | (427,657,477)               |
| Adjustments to reconcile loss before tax                     |  |                            |                                      |                             |
| to net cash provided by (paid from) operating activities:    |  |                            |                                      |                             |
| Depreciation and amortisation                                | 119,783,701                              | 118,996,206                | 28,406,450                           | 28,437,108                  |
| Allowance for expected credit loss                           | 3,262,791                                | 13,185,927                 | -                                    | 6,342,220                   |
| Impairment loss of loan from related party                   | -  | -                          | 45,000,000                           | 9,000,000                   |
| Gain on sales of equipment                                   | (1,135,512)                              | (84,110)                   | (1,135,512)                          | (84,110)                    |
| Gain on sales of investment properties                       | (7,776,207)                              | -                          | -                                    | -                           |
| Gain on sales of investment in equity                        | (1,590,894)                              | (625,000)                  | (1,590,894)                          | (625,000)                   |
| Loss on valuation of financial assets - investment in equity | (1,284,000)                              | 630,000                    | (1,284,000)                          | 630,000                     |
| Share of profit from investment in joint venture             | (238,014,725)                            | (143,472,852)              | -                                    | -                           |
| Project consultancy income                                   | -  | -                          | (56,074,766)                         | -                           |
| Write-off withholding tax                                    | 5,398                                    | 10,708,524                 | -                                    | 279,056                     |
| Provision for long-term employee benefits                    | 7,697,015                                | 8,800,954                  | 5,393,194                            | 6,609,022                   |
| Dividend received from investment in equity                  | (10,618,775)                             | (10,297,117)               | (10,618,775)                         | (10,297,117)                |
| Dividend received from investment in subsidiary              | -  | -                          | (14,980,512)                         | -                           |
| Finance income   | (3,518,791)                              | (5,546,274)                | (50,787,122)                         | (62,205,687)                |
| Finance cost   | <u>401,724,916</u>                       | <u>386,043,388</u>         | <u>373,579,173</u>                   | <u>375,894,298</u>          |
| Profit (loss) from operating activities before               |  |                            |                                      |                             |
| changes in operating assets and liabilities                  | 103,028,722                              | 72,021,433                 | (33,010,994)                         | (73,677,687)                |
| Operating assets (increase) decrease                         |  |                            |                                      |                             |
| Trade and other receivables                                  | (5,985,729)                              | 54,001,254                 | 7,212,919                            | 65,523,114                  |
| Project development costs                                    | (145,032,967)                            | 43,465,965                 | (110,249,148)                        | (32,390,103)                |
| Deposit for purchase of land and condominium unit            | (28,026,250)                             | (27,107,000)               | (28,026,250)                         | (27,107,000)                |
| Cost to obtain contracts with customer                       | 23,249,229                               | (23,249,229)               | -                                    | -                           |
| Other current assets   | (4,580,360)                              | (9,495,766)                | (8,245,233)                          | (774,335)                   |
| Other non-current assets                                     | (2,973,741)                              | 1,707,420                  | (93,504)                             | (564,161)                   |
| Operating liabilities increase (decrease)                    |  |                            |                                      |                             |
| Trade and other payables                                     | 5,249,900                                | 20,779,073                 | 15,138,532                           | (19,717,988)                |
| Advance received from customers                              | 24,794,621                               | 100,274,541                | 35,241,481                           | 33,277,800                  |
| Other current liabilities                                    | 31,351,687                               | 49,371,354                 | 31,682,581                           | 46,921,640                  |
| Deposit received   | 4,198,841                                | (2,618,974)                | -                                    | -                           |
| Other non-current liabilities                                | <u>522,590</u>                           | <u>571,600</u>             | <u>160,000</u>                       | <u>570,000</u>              |
| Cash flows from (used in) operating activities               | 5,796,543                                | 279,721,671                | (90,189,616)                         | (7,938,720)                 |
| Cash paid for long-term employee benefit                     | (847,703)                                | (2,574,360)                | -                                    | (1,638,000)                 |
| Interest paid  | (474,285,342)                            | (388,576,107)              | (375,981,241)                        | (351,808,087)               |
| Cash received from withholding tax refundable                | 12,880,552                               | 30,979,807                 | -                                    | 16,377,198                  |
| Corporate income tax paid                                    | <u>(19,371,822)</u>                      | <u>(17,920,379)</u>        | <u>(5,932,089)</u>                   | <u>(2,312,490)</u>          |
| <b>Net cash flows used in operating activities</b>           | <b><u>(475,827,772)</u></b>              | <b><u>(98,369,368)</u></b> | <b><u>(472,102,946)</u></b>          | <b><u>(347,320,099)</u></b> |

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

JCK International Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

|   | Consolidated financial statements |                     | Separate financial statements |                    |
|---|-----------------------------------|---------------------|-------------------------------|--------------------|
|   | 2021                              | 2020                | 2021                          | 2020               |
| <b>Cash flows from investing activities</b>                 |                                   |                     |                               |                    |
| Cash paid for investments in equity                         | (4,590,000)                       | (1,325,000)         | (4,590,000)                   | (1,325,000)        |
| Proceeds from sale of investment in equity                  | 6,180,894                         | 1,950,000           | 6,180,894                     | 1,950,000          |
| Decrease in short-term loans to related parties             | -                                 | 65,000,000          | 218,441,499                   | 41,685,260         |
| Decrease (increase) in restricted bank deposits             | (201,158)                         | 43,567,082          | (183,072)                     | 43,584,997         |
| Increase in investment in subsidiaries                      | -                                 | -                   | (70,095,000)                  | (250,000)          |
| Acquisition of investment properties                        | (5,486,700)                       | (8,639,785)         | -                             | -                  |
| Proceeds from sales of investment properties                | 30,000,000                        | -                   | -                             | -                  |
| Acquisition of equipment                                    | (6,516,308)                       | (800,432)           | (6,297,682)                   | (800,432)          |
| Proceeds from sales of equipment                            | 1,135,512                         | 84,111              | 1,135,512                     | 84,111             |
| Increase in right-of-use assets                             | (1,646,580)                       | -                   | (1,646,580)                   | -                  |
| Cash received from joint venture                            | 56,074,766                        | -                   | 56,074,766                    | -                  |
| Dividend received from investment in equity                 | 10,618,775                        | 10,297,117          | 10,618,775                    | 10,297,117         |
| Interest received   | 5,813,312                         | 24,204,253          | 12,190,397                    | 21,964,039         |
| <b>Net cash flows from investing activities</b>             | <b>91,382,513</b>                 | <b>134,337,346</b>  | <b>221,829,509</b>            | <b>117,190,092</b> |
| <b>Cash flows from financing activities</b>                 |                                   |                     |                               |                    |
| Increase (decrease) in bank overdrafts and short-term loans | (7,300,829)                       | 34,161,521          | 2,609,837                     | 67,321,573         |
| Increase in short-term loan from related parties            | 267,000,000                       | 8,000,000           | 311,565,329                   | 159,811,096        |
| Cash received from issued debentures                        | -                                 | 1,201,100,000       | -                             | 1,201,100,000      |
| Cash paid for redemption of debentures                      | (112,473,000)                     | (1,252,040,000)     | (112,473,000)                 | (1,252,040,000)    |
| Cash received from long-term loans                          | 348,000,000                       | 102,220,000         | -                             | 102,220,000        |
| Repayment of long-term loans                                | (215,423,079)                     | (124,868,347)       | (106,460,811)                 | (51,000,000)       |
| Repayment of lease liabilities                              | (14,570,181)                      | (13,055,415)        | (5,305,001)                   | (4,412,040)        |
| Proceeds from increase share capital                        | 129,999,800                       | -                   | 129,999,800                   | -                  |
| Cash received from issuance of convertible debentures       | 50,000,000                        | -                   | 50,000,000                    | -                  |
| Cash received from exercise of warrants                     | -                                 | 1,183               | -                             | 1,183              |
| Dividend paid   | -                                 | (1,750)             | -                             | (1,750)            |
| <b>Net cash flows from (used in) financing activities</b>   | <b>445,232,711</b>                | <b>(44,482,808)</b> | <b>269,936,154</b>            | <b>223,000,062</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>60,787,452</b>                 | <b>(8,514,830)</b>  | <b>19,662,717</b>             | <b>(7,129,945)</b> |
| Cash and cash equivalents at beginning of year              | 14,733,180                        | 23,248,010          | 2,753,107                     | 9,883,052          |
| <b>Cash and cash equivalents at end of year</b>             | <b>75,520,632</b>                 | <b>14,733,180</b>   | <b>22,415,824</b>             | <b>2,753,107</b>   |

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

JCK International Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

|   | <u>Consolidated financial statements</u> |             | <u>Separate financial statements</u> |             |
|---|--|-------------|--------------------------------------|-------------|
|   | <u>2021</u>                              | <u>2020</u> | <u>2021</u>                          | <u>2020</u> |
| <b>Supplemental cash flow information:</b>  |  |             |                                      |             |
| <b>Non-cash transactions</b>  |  |             |                                      |             |
| Transfer of deposit for purchase of land to project development costs                       | 203,051,472                              | -           | -                                    | -           |
| Transfer of project development costs to investment properties                              | 50,891,622                               | 136,846,336 | -                                    | -           |
| Transfer of right-of-use assets to investment properties                                    | 13,207,139                               | -           | 13,207,139                           | -           |
| Transfer project development costs to equipment   | 135,436,536                              | -           | 135,436,536                          | -           |
| Transfer of investment properties to project development costs                              | -  | 183,652,374 | -                                    | -           |
| Purchase of assets under finance lease agreements   | 119,850,117                              | -           | 5,225,648                            | -           |
| Loans and accrued interest repayment from reduction of registered capital of the subsidiary | -  | -           | 311,000,000                          | -           |
| Loans repayment from reduction of registered capital of the joint venture                   | 102,000,000                              | -           | -                                    | -           |

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

**JCK International Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2021**

**1. General information**

**1.1 General information of the Company**

JCK International Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. The registered office of the Company is at 18 Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Sathorn, Bangkok.

**1.2 Coronavirus disease 2019 pandemic**

Multiple waves of the Coronavirus disease 2019 pandemic has slowed down the economic recovery, adversely impacting most businesses and industries. This situation significantly affects the Group's business activities in terms of sales and transfer of the ownership, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. In 2021, the Company did not repay loan when it became due under the loan agreement because the Company was requesting an approval from the bank for the extension of repayment period as described in Note 21 to financial statements. The management believes that bank will approve the extension.

The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

**2. Basis of preparation**

- 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 JCK International Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

| Company's name                             | Nature of business                     | Country of incorporation | Percentage of shareholding |             |
|--|--|--------------------------|----------------------------|-------------|
|  |  |                          | <u>2021</u>                | <u>2020</u> |
|  |  |                          | Percent                    | Percent     |
| JCK Utilities Company Limited              | Factory rental and sale                | Thailand                 | 100.00                     | 100.00      |
| SG Land Company Limited                    | Office rental                          | Thailand                 | 49.94                      | 49.91       |
| Crown Development Company Limited          | Residential condominium units for sale | Thailand                 | 100.00                     | 100.00      |
| TFD Real Estate Management Company Limited | Being REIT manager                     | Thailand                 | 100.00                     | 100.00      |
| Ratchadamri Real Estate Company Limited    | Property development                   | Thailand                 | 100.00                     | 100.00      |

- 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) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) 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 joint venture 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 following joint operations in the consolidated and separate financial statements from the date that joint control commences until the date that joint control ceases.

On 27 October 2021, the Board of Directors' Meeting No. 7/2021 approved the investment plan for the real estate in the northern region and the signing of a joint operation contract. On 28 October 2021, the Company signed a 51% joint operation contract with 3 limited companies that have the ownership of the land used in the joint operation. Currently, the registration as a legal entity with the Revenue Department is being carried out.

### **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 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The 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 2022**

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 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### *Revenue recognition relating to sale of real estate*

Revenue from sales of land, factory and condominium units are recognised at a point in time when control over the asset is transferred to the customer. Sales are thus recognised as revenue in full when the ownership has been transferred to the customer after all payments have been received from the customer. Revenue from sale of real estate is presented based on the value received after deducting discounts and expenses paid by the Group on behalf of the customer. The payment conditions are in accordance with the payment schedules specified in the contracts with the customer. The amount that the Group received from the customer before registering the ownership transfer is presented under the caption of "Advance received from customers" in the statement of financial position.

#### *Rental and service income*

Rental income is recognised on a straight-line basis over the lease term, and service income is recognised when services have been rendered.

#### *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).

#### *Finance cost*

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

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### **4.2 Cost of sales**

In determining the costs of land sold in the project, and factory and condominium units sold, the Group allocated anticipated total development costs (after recognising the costs incurred to date) and attributed to units already sold on the basis of the salable area and then recognised as costs in the profit and loss.

Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the 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.



#### **4.3 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.

#### **4.4 Project development costs**

Project development costs are stated at the lower of cost and net realisable value. Cost comprises cost of land, design fees, utilities, construction costs and directly related finance cost and expenses.

The Group recognised loss on diminution in project value (if any) in profit or loss.

#### **4.5 Cost to obtain a contract**

The Group recognises commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

#### **4.6 Investments in subsidiaries and joint ventures**

Investments in joint venture is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

#### **4.7 Investment properties**

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

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

|  |                 |
|--|-----------------|
| Warehouse building for rent                | 2, 30 years     |
| Improvement of warehouse building for rent | 5, 15, 30 years |
| Condominium units for rent                 | 30 years        |
| Office building for rent                   | 28, 30 years    |
| Improvement of leasehold building          | 5 years         |

Depreciation of the investment properties is included in determining income.

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.

#### **4.8 Equipment/Depreciation**

Equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

|  |                |
|--|----------------|
| Improvement of leasehold office building | 5, 8 years     |
| Furniture and office equipment           | 5, 8, 20 years |
| Motor vehicles                           | 5 years        |

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

An item of 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.

#### **4.9 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset 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.

#### **4.10 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 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            | 29 - 50 | years |
| Office building | 3       | years |
| Motor vehicles  | 1 - 5   | 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.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

### ***Lease liabilities***

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

### **4.11 Related party transactions**

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

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

### **4.12 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

#### **4.13 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

#### **4.14 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***

###### ***Defined contribution plans***

The Group and its 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 contributions of the Group are recognised as expenses when incurred.

###### ***Defined benefit plans***

The Group have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### **4.15 Convertible debentures**

Disclosure and Presentation of Financial Instruments requires the entity to make the decision at the time the instrument is initially recognised according to the substance of the contract and the definitions of financial liability and equity instrument.

The convertible debentures are presented at amortised cost until the conversion or maturity of the debentures. The options are presented at fair value until exercise of conversion right to ordinary shares.

Expenses for issuance debentures were deducted from convertible debentures and amortised over the life of the debentures.

#### **4.16 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.

#### **4.17 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 recognise 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 review and reduce 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 record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.18 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 designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

##### ***Financial assets at FVTPL***

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

These financial assets include 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 discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the 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.

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).



The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, 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 is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

#### **Offsetting of financial instruments**

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

#### **4.19 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.

## **5. 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:

### **Consolidation of subsidiary that the Company holds less than half of shares**

The management of the Company determined that the Company has control over SG Land Company Limited, even though the Company holds 49.94% of shares and voting rights that is less than half of shares and voting rights. This is because the Company has the ability to direct the significant activities. As a result, SG Land Company Limited 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.

### **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 loan to subsidiary and interest receivable**

In determining an allowance for expected credit losses of loan to subsidiary and interest receivable, the management needs to make judgement and estimates based upon, among other things, the borrower's status, the repayment plan for loan principal and accrued interest, including probability of recovery under the plan.

### **Allowance for diminution in value of project development cost**

The Group treat project development cost as diminution when the management judges that there have been significant declines in the fair value below their cost. The management determines the devaluation of project development cost (if any) based on net realisable value. The determination of what is "significant" and such devaluation requires the management to exercise judgment.

### **Investment property**

The disclosure of fair value of investment property and impairment testing require management to make estimates the fair value by using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 15.

### **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.

### **Post-employment benefits under defined benefit plans**

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

## Project development costs estimation

In calculating costs of land in the project, the Company has to estimate all project development costs, comprising land improvement costs, public utilities costs, borrowing costs and other related costs. The management estimates these costs based on their experience in the business and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

## Litigation/Tax assessment

The Group have contingent liabilities as a result of litigation and tax assessment. The Company's management has used judgement to assess of the results of the litigation and tax assessment and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 6. 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 Group and those related parties.

(Unit: Million Baht)

|   | Consolidated<br>financial statements |      | Separate<br>financial statements |      | Transfer Pricing Policy                      |
|---|--------------------------------------|------|----------------------------------|------|--|
|   | 2021                                 | 2020 | 2021                             | 2020 |  |
| <u>Transactions with subsidiaries</u>                   |                                      |      |                                  |      |  |
| (eliminated from the consolidated financial statements) |                                      |      |                                  |      |  |
| Interest income   | -                                    | -    | 47                               | 59   | Interest rate at 5.25% - 9.975%              |
| Dividend income   | -                                    | -    | 15                               | -    | As declared                                  |
| Building management income                              | -                                    | -    | 6                                | 7    | Contract price                               |
| Interest expenses                                       | -                                    | -    | 17                               | 5    | Interest rate at 5.25% - 10.00%<br>per annum |
| <u>Transactions with joint venture</u>                  |                                      |      |                                  |      |  |
| Interest income   | -                                    | 2    | -                                | -    | Interest rate at 5.00% per annum             |
| Project consultancy income                              | -                                    | -    | 56                               | -    | Contract price                               |
| Management income                                       | -                                    | -    | 1                                | 4    | Contract price                               |
| Interest expenses                                       | 5                                    | -    | 2                                | -    | Interest rate at 6.00%                       |
| <u>Transactions with related companies</u>              |                                      |      |                                  |      |  |
| Interest income   | 3                                    | 3    | 3                                | 3    | Interest rate at 7.50% per annum             |
| Rental and service income                               | 9                                    | 5    | -                                | -    | Contract price                               |
| Rental and service expenses                             | 18                                   | 15   | 17                               | 11   | Contract price                               |

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

|  | (Unit: Thousand Baht)             |             |                               |             |
|--|-----------------------------------|-------------|-------------------------------|-------------|
|  | Consolidated financial statements |             | Separate financial statements |             |
|  | <u>2021</u>                       | <u>2020</u> | <u>2021</u>                   | <u>2020</u> |
| <b><u>Trade and other receivables (Note 8)</u></b> |                                   |             |                               |             |
| <b><u>Subsidiaries</u></b>                         |                                   |             |                               |             |
| TFD Real Estate Management Company Limited         | -                                 | -           | 25                            | 51          |
| SG Land Company Limited                            | -                                 | -           | 15,600                        | 574         |
| JCK Utilities Company Limited                      | -                                 | -           | 4,293                         | 3,968       |
| Crown Development Company Limited                  | -                                 | -           | 8,522                         | 8,543       |
| Ratchadamri Real Estate Company Limited            | -                                 | -           | 10,629                        | -           |
| Total  | -                                 | -           | 39,069                        | 13,136      |
| <b><u>Joint Venture</u></b>                        |                                   |             |                               |             |
| BGY & TFD Properties Company Limited               | 220                               | 482         | 220                           | 482         |
| Total  | 220                               | 482         | 220                           | 482         |
| <b><u>Joint arrangements</u></b>                   |                                   |             |                               |             |
| Entities under joint operation contract            | 2,119                             | -           | -                             | -           |
| Total  | 2,119                             | -           | -                             | -           |
| <b><u>Other joint operators</u></b>                |                                   |             |                               |             |
| Central Land and House Complex Company Limited     | 10,158                            | -           | -                             | -           |
| The AEC Avenue Company Limited                     | 1,077                             | -           | -                             | -           |
| The AEC Leasing Company Limited                    | 1,130                             | -           | -                             | -           |
| Total  | 12,365                            | -           | -                             | -           |
| <b><u>Related parties</u></b>                      |                                   |             |                               |             |
| JC Kevin Development Company Limited               | 95                                | 1,980       | 7                             | 53          |
| JCK Hospitality Public Company Limited             | 5,223                             | 3,502       | 63                            | 63          |
| High Active Consultant Company Limited             | 15,966                            | 5,597       | -                             | -           |
| High Active Consultant Communications Company      | -                                 | 62,820      | -                             | 62,820      |
| High Active Consultant Tech Company Limited        | 703                               | 673         | -                             | -           |
| Lobster Power Company Limited                      | 2                                 | -           | -                             | -           |
| JCK Ratchada Hotel Company Limited                 | -                                 | 14          | -                             | -           |
| JC Kevin Foods and Beverages Company Limited       | 36,500                            | -           | 36,500                        | -           |
| Schubert Holdings Pte. Ltd.                        | 45                                | -           | -                             | -           |
| Total  | 58,534                            | 74,586      | 36,570                        | 62,936      |

(Unit: Thousand Baht)

|  | Consolidated financial statements |             | Separate financial statements |             |
|--|-----------------------------------|-------------|-------------------------------|-------------|
|  | <u>2021</u>                       | <u>2020</u> | <u>2021</u>                   | <u>2020</u> |
| <u>Director</u>                            |                                   |             |                               |             |
| Executive Chairman (Advance)               | -                                 | 5,000       | -                             | 5,000       |
| Executive Director (Advance)               | 12,500                            | 250         | 12,500                        | 250         |
| Total                                      | 12,500                            | 5,250       | 12,500                        | 5,250       |
| Grand total                                | 85,738                            | 80,318      | 88,359                        | 81,804      |
| Less: Allowance for expected credit losses | (3,355)                           | -           | -                             | -           |
| Grand total - net                          | 82,383                            | 80,318      | 88,359                        | 81,804      |

**Deposit for purchase of land and condominium unit**Related party

|  |   |        |   |        |
|--|---|--------|---|--------|
| JC Kevin Foods and Beverages Company Limited | - | 41,500 | - | 41,500 |
| Total  | - | 41,500 | - | 41,500 |

**Prepaid for building rental and service**

(presented as part of right-of-use assets in the statement of financial position)

Related party

|                                      |       |        |       |        |
|--------------------------------------|-------|--------|-------|--------|
| JC Kevin Development Company Limited | 6,246 | 14,574 | 6,246 | 14,574 |
| Total                                | 6,246 | 14,574 | 6,246 | 14,574 |

**Deposit for building rental and service paid**

(presented as part of other non-current assets in the statement of financial position)

Related party

|                                      |       |       |       |       |
|--------------------------------------|-------|-------|-------|-------|
| JC Kevin Development Company Limited | 5,021 | 5,021 | 5,021 | 5,021 |
| Total                                | 5,021 | 5,021 | 5,021 | 5,021 |

**Other payables (Note 18)**Subsidiary

|   |   |   |        |        |
|---|---|---|--------|--------|
| SG Land Company Limited                 | - | - | 40,000 | 40,000 |
| Crown Development Company Limited       | - | - | -      | 1      |
| Ratchadamri Real Estate Company Limited | - | - | -      | 250    |
| Total                                   | - | - | 40,000 | 40,251 |

(Unit: Thousand Baht)

|  | Consolidated financial statements |             | Separate financial statements |             |
|--|-----------------------------------|-------------|-------------------------------|-------------|
|  | <u>2021</u>                       | <u>2020</u> | <u>2021</u>                   | <u>2020</u> |
| <u>Joint Venture</u>   |                                   |             |                               |             |
| BGY & TFD Properties Company Limited   | 40                                | 40          | 40                            | 40          |
| Total  | 40                                | 40          | 40                            | 40          |
| <u>Joint arrangement</u>   |                                   |             |                               |             |
| Entities under joint operation contract  | -                                 | -           | 2,205                         | -           |
| Total  | -                                 | -           | 2,205                         | -           |
| <u>Related parties</u>   |                                   |             |                               |             |
| JC Kevin Development Company Limited   | 547                               | 983         | 519                           | 983         |
| JCK Hospitality Public Company Limited   | 662                               | 1,936       | 626                           | 1,313       |
| Lobster Power Company Limited  | 190                               | 400         | 190                           | 400         |
| Noname Foods and Beverages Company Limited                                     | 137                               | 137         | 137                           | 137         |
| High Active Consultant Company Limited   | 3,048                             | 1,566       | 2,950                         | 1,277       |
| High Active Consultant Tech Company Limited                                    | 14                                | 14          | -                             | -           |
| Schubert Holding Pte. Ltd.   | 14,981                            | -           | -                             | -           |
| Total  | 19,579                            | 5,036       | 4,422                         | 4,110       |
| Grand Total  | 19,619                            | 5,076       | 46,667                        | 44,401      |
| <u>Deposit for building rental and service received</u>                        |                                   |             |                               |             |
| (presented as part of deposit received in the statement of financial position) |                                   |             |                               |             |
| <u>Subsidiaries</u>  |                                   |             |                               |             |
| TFD Real Estate Management Company Limited                                     | -                                 | -           | 149                           | 149         |
| JCK Utilities Company Limited  | -                                 | -           | 559                           | 559         |
| Crown Development Company Limited  | -                                 | -           | 114                           | 114         |
| Total  | -                                 | -           | 822                           | 822         |
| <u>Related parties</u>   |                                   |             |                               |             |
| JCK Hospitality Public Company Limited   | -                                 | 583         | -                             | -           |
| High Active Consultant Company Limited   | 883                               | 200         | -                             | -           |
| Total  | 883                               | 783         | -                             | -           |
| Grand Total  | 883                               | 783         | 822                           | 822         |

In 2019, the Company entered into an agreement to purchase land with High Active Consultant Communications Company Limited ("Seller") with a total value of Baht 430 million to develop a low-rise residential project and a deposit of Baht 65 million was paid to the seller.

Since the COVID-19 pandemic has impacted the economic in overall, the Company has revised the business plan. On 20 May 2020, the Company entered into a memorandum to cancel an agreement to purchase land. The seller agreed to return the deposit with the interest of 7.5 percent per annum in installments within 1 year from the date the memorandum is entered into until the installment payment is complete. In October 2021, the Company received the repayment of such deposit in full.

#### Deposit for purchase of land and condominium unit

In 2019, the Company entered into an agreement to purchase a condominium unit with JC Kevin Foods and Beverages Company Limited ("Seller") with a total value of Baht 64.4 million and a deposit of Baht 41.5 million was paid to the seller.

Since the COVID-19 pandemic has impacted slow down the economic and core operation of the Company. On 30 April 2020, the Company entered into an amendment memorandum to the agreement to purchase condominium in order to extend the final payment period and modify the schedule for registration of transfer ownership. The seller agreed to waive the right to charge penalty at rate 7.5% per annum from the date of request for postpone of transfer ownership. From the amendment memorandum, the Company can postpone the transfer of ownership to within 30 April 2022.

Subsequently, on 16 August 2021, the meeting of the Board of Directors of the Company No. 6/2564 resolved to cancel the agreement to purchase condominium unit as it is currently not investment timing due to the serious COVID-19 situation.

On 16 November 2021, the Seller agreed to cancel the agreement to purchase the condominium unit and will refund the full deposit to the Company in 8 installments from December 2021 to July 2022. As at 31 December 2021, the remaining deposit of Baht 37 million is presented as other receivables in the statement of financial position.



## Loans to related parties and loan from related parties

As at 31 December 2021 and 2020, the balance of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

|   |                                 | Consolidated financial statements |                 |           |               |
|---|---------------------------------|-----------------------------------|-----------------|-----------|---------------|
|   |                                 | Balance as at                     | During the year |           | Balance as at |
|   |                                 | 1 January                         |                 |           | 31 December   |
| Related by  |                                 | 2021                              | Increase        | Decrease  | 2021          |
| <b><u>Short-term loans to related</u></b>                                       |                                 |                                   |                 |           |               |
| <b><u>party and interest receivable</u></b>                                     |                                 |                                   |                 |           |               |
| BGY & TFD Properties Company Limited  | Joint Venture                   |                                   |                 |           |               |
| Loan  |                                 | -                                 | -               | -         | -             |
| Interest receivable   |                                 | 7,181                             | -               | -         | 7,181         |
| Total   |                                 | 7,181                             | -               | -         | 7,181         |
| <b><u>Short-term loans from related</u></b>                                     |                                 |                                   |                 |           |               |
| <b><u>party and interest payable</u></b>  |                                 |                                   |                 |           |               |
| Executive Director  | Director                        |                                   |                 |           |               |
| Loan  |                                 | 8,000                             | -               | (8,000)   | -             |
| Interest payable  |                                 | 3                                 | 73              | (76)      | -             |
| Total   |                                 | 8,003                             | 73              | (8,076)   | -             |
| BGY & TFD Properties Company Limited  | Joint venture                   |                                   |                 |           |               |
| Loan  |                                 | -                                 | 275,000         | (102,000) | 173,000       |
| Interest payable  |                                 | -                                 | 4,553           | -         | 4,553         |
| Total   |                                 | -                                 | 279,553         | (102,000) | 177,553       |
| Grand total   |                                 | 8,003                             | 279,626         | (110,076) | 177,553       |
| <b><u>Long-term loans from related party</u></b>                                |                                 |                                   |                 |           |               |
| <b><u>and interest payable</u></b>  |                                 |                                   |                 |           |               |
| Schubert Holdings Pte. Ltd.   | Shareholders of<br>a subsidiary |                                   |                 |           |               |
| Loan  |                                 | -                                 | -               | -         | -             |
| Interest payable  |                                 | 49,724                            | -               | (49,000)  | 724           |
| Total   |                                 | 49,724                            | -               | (49,000)  | 724           |
| Less: Current portion   |                                 | (45,000)                          |                 |           | (724)         |
| Long-term loans from related party and<br>interest payable, net current portion |                                 | 4,724                             |                 |           | -             |

(Unit: Thousand Baht)

|  |            | Separate financial statements |                 |           |               |
|--|------------|-------------------------------|-----------------|-----------|---------------|
|  |            | Balance as at                 |                 |           | Balance as at |
|  |            | 1 January                     | During the year |           | 31 December   |
| Related by   |            | 2021                          | Increase        | Decrease  | 2021          |
| <b><u>Short-term loans to related parties and</u></b>  |            |                               |                 |           |               |
| <b><u>interest receivable</u></b>  |            |                               |                 |           |               |
| JCK Utilities Company Limited  | Subsidiary |                               |                 |           |               |
| Loan   |            | 949,267                       | 2,400           | (224,342) | 727,325       |
| Interest receivable  |            | 405,554                       | 46,710          | -         | 452,264       |
| Total  |            | 1,354,821                     | 49,110          | (224,342) | 1,179,589     |
| Ratchadamri Real Estate Company Limited  | Subsidiary |                               |                 |           |               |
| Loan   |            | -                             | 76,550          | (73,050)  | 3,500         |
| Interest receivable  |            | -                             | 611             | -         | 611           |
| Total  |            | -                             | 77,161          | (73,050)  | 4,111         |
| SG Land Company Limited  | Subsidiary |                               |                 |           |               |
| Interest receivable  |            | 6,429                         | -               | (6,429)   | -             |
| Total  |            | 6,429                         | -               | (6,429)   | -             |
| Grand total  |            | 1,361,250                     | 126,271         | (303,821) | 1,183,700     |
| Less: Allowance for expected credit losses of loan and interest receivable                     |            |                               |                 |           |               |
|  |            | (66,000)                      | (45,000)        | -         | (111,000)     |
| Net  |            | 1,295,250                     | 81,271          | (303,821) | 1,072,700     |
| Less: Classified as non-current assets   |            |                               |                 |           |               |
|  |            | (1,006,825)                   |                 |           | -             |
| Short-term loan to subsidiary and interest receivable, net of classified as non-current assets |            |                               |                 |           |               |
|  |            | 288,425                       |                 |           | 1,072,700     |

**Short-term loans from related parties****and interest payable**

|                         |            |        |       |         |        |
|-------------------------|------------|--------|-------|---------|--------|
| SG Land Company Limited | Subsidiary |        |       |         |        |
| Loan                    |            | 75,000 | -     | -       | 75,000 |
| Interest payable        |            | 8,685  | 3,714 | (3,714) | 8,685  |
| Total                   |            | 83,685 | 3,714 | (3,714) | 83,685 |

(Unit: Thousand Baht)

|                                      |               | Separate financial statements |                 |           |               |
|--------------------------------------|---------------|-------------------------------|-----------------|-----------|---------------|
|                                      |               | Balance as at                 | During the year |           | Balance as at |
|                                      |               | 1 January                     |                 |           | 31 December   |
|                                      | Related by    | 2021                          | Increase        | Decrease  | 2021          |
| Crown Development Company Limited    | Subsidiary    |                               |                 |           |               |
| Loan                                 |               | 134,811                       | 221,765         | (302,576) | 54,000        |
| Interest payable                     |               | 15,651                        | 12,819          | (18,812)  | 9,658         |
| Total                                |               | 150,462                       | 234,584         | (321,388) | 63,658        |
| BGY & TFD Properties Company Limited | Joint Venture |                               |                 |           |               |
| Loan                                 |               | -                             | 100,000         | -         | 100,000       |
| Interest payable                     |               | -                             | 2,433           | -         | 2,433         |
| Total                                |               | -                             | 102,433         | -         | 102,433       |
| Grand Total                          |               | 234,147                       | 340,731         | (325,102) | 249,776       |

#### Short-term loans to related parties and interest receivable

The balance of short-term loans to related parties comprised accrued interest from short-term loans granted by a subsidiary to a joint venture carrying interest at a rate of 5.00 percent per annum that is unsecured and received a full payment in 2020, and loans granted by the Company to its subsidiaries in a form of promissory notes carrying interest at rates of 5.25 - 9.975 percent per annum (31 December 2020: 5.25 - 9.975 percent per annum) and repayable on demand, and unsecured. However, the Company expects that some of loan and interest receivable payments from subsidiary not to be settled within one year. As a result, the loan is classified as non-current assets.

#### Short-term loans from related parties and interest payable

The balance of short-term loans from related parties is in a form of promissory notes carrying interest at rates of 5.25 - 10.00 percent per annum repayable on demand and unsecured (2020: 5.25 percent per annum).

#### Long-term loans from related parties and interest payable

The subsidiary entered into loan agreements with related party which interest is charged at a rate of 15 percent per annum and to be paid monthly at a relaxed rate. The loans are unsecured and in 2019 the subsidiary repaid long-term loans to related party in full.

### Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses of their directors and management as detailed below.

|                              | (Unit: Thousand Baht) |             |                      |             |
|------------------------------|-----------------------|-------------|----------------------|-------------|
|                              | Consolidated          |             | Separate             |             |
|                              | financial statements  |             | financial statements |             |
|                              | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Short-term employee benefits | 55,530                | 49,791      | 49,519               | 41,988      |
| Post-employment benefits     | 3,805                 | 3,496       | 3,805                | 3,496       |
| Total                        | 59,335                | 53,287      | 53,324               | 45,484      |

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 33.3 to the financial statements.

## **7. Cash and cash equivalents**

|               | (Unit: Thousand Baht) |             |                      |             |
|---------------|-----------------------|-------------|----------------------|-------------|
|               | Consolidated          |             | Separate             |             |
|               | financial statements  |             | financial statements |             |
|               | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Cash          | 685                   | 455         | 280                  | 280         |
| Bank deposits | 74,836                | 14,278      | 22,136               | 2,473       |
| Total         | 75,521                | 14,733      | 22,416               | 2,753       |

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.125 and 0.250 percent per annum (2020: between 0.125 and 0.250 percent per annum).

## 8. Trade and other receivables

|   | (Unit: Thousand Baht) |             |                      |             |
|---|-----------------------|-------------|----------------------|-------------|
|   | Consolidated          |             | Separate             |             |
|   | financial statements  |             | financial statements |             |
|   | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| <u>Trade receivables - related parties (Note 6)</u> |                       |             |                      |             |
| Aged on the basis of due dates                      |                       |             |                      |             |
| Past due  |                       |             |                      |             |
| Up to 3 months                                      | 2,278                 | 1,743       | -                    | -           |
| 3 - 6 months  | 1,645                 | 2,344       | -                    | -           |
| 6 - 12 months                                       | 6,905                 | 3,012       | -                    | -           |
| Over 12 months                                      | 9,484                 | 2,099       | -                    | -           |
| Total   | 20,312                | 9,198       | -                    | -           |
| Less: Allowance for expected credit losses          | (3,355)               | -           | -                    | -           |
| Trade receivables - related parties, net            | 16,957                | 9,198       | -                    | -           |
| <u>Trade receivables - unrelated parties</u>        |                       |             |                      |             |
| Aged on the basis of due dates                      |                       |             |                      |             |
| Past due  |                       |             |                      |             |
| Up to 3 months                                      | 16,535                | 14,467      | 4,624                | 2,930       |
| 3 - 6 months  | 4,959                 | 5,257       | 1,716                | 68          |
| 6 - 12 months                                       | 3,057                 | 6,364       | 350                  | 116         |
| Over 12 months                                      | 14,365                | 10,424      | 237                  | 298         |
| Total   | 38,916                | 36,512      | 6,927                | 3,412       |
| Less: Allowance for expected credit losses          | (12,327)              | (12,419)    | (183)                | (183)       |
| Total trade receivables - unrelated parties, net    | 26,589                | 24,093      | 6,744                | 3,229       |
| Total trade receivables - net                       | 43,546                | 33,291      | 6,744                | 3,229       |
| <u>Other receivables</u>                            |                       |             |                      |             |
| Advance to director (Note 6)                        | 12,500                | 5,250       | 12,500               | 5,250       |
| Accrued income - related parties (Note 6)           | 516                   | 509         | 23,480               | 8,500       |
| Accrued income - unrelated parties                  | 895                   | 1,238       | -                    | -           |
| Other receivables - related parties (Note 6)        | 52,410                | 65,361      | 52,379               | 68,054      |
| Other receivables - unrelated parties               | 42,412                | 46,202      | 41,137               | 45,734      |
| Total   | 108,733               | 118,560     | 129,496              | 127,538     |
| Less: Allowance for expected credit losses          | (6,342)               | (6,342)     | (6,342)              | (6,342)     |
| Total other receivables - net                       | 102,391               | 112,218     | 123,154              | 121,196     |
| Total trade and other receivables - net             | 145,937               | 145,509     | 129,898              | 124,425     |

## 9. Project development costs

|                                      | (Unit: Thousand Baht) |                  |                      |                  |
|--------------------------------------|-----------------------|------------------|----------------------|------------------|
|                                      | Consolidated          |                  | Separate             |                  |
|                                      | financial statements  |                  | financial statements |                  |
|                                      | <u>2021</u>           | <u>2020</u>      | <u>2021</u>          | <u>2020</u>      |
| Land and land improvement            | 4,044,317             | 3,858,571        | 3,781,215            | 3,648,960        |
| Interest cost                        | 287,354               | 269,537          | 210,292              | 168,736          |
| Construction in progress             | 1,338,612             | 1,497,566        | 714,386              | 839,132          |
| Condominium units available for sale | 213,106               | 232,465          | -                    | -                |
| Project development costs            | <u>5,883,389</u>      | <u>5,858,139</u> | <u>4,705,893</u>     | <u>4,656,828</u> |
| Capitalisation rates (percent)       | 5.25                  | 5.25 - 6.00      | 5.25                 | 5.25 - 6.00      |

During the year 2021 and 2020, the subsidiary transferred land, factory building and condominium unit thereon for rent to investment properties and the Company transferred work in process of water supply and wastewater treatment systems to equipment.

During the year ended 31 December 2021, the amount of borrowing costs capitalised by the Group to their projects was approximately Baht 51 million (Separate financial statements: Baht 51 million) (2020: Baht 54 million (Separate financial statements: Baht 54 million)).

As at 31 December 2021, the Group has mortgaged land and the construction thereon and condominium units under the property development project, totaling Baht 5,332 million (Separate financial statements: Baht 4,155 million) (2020: Baht 5,115 million (Separate financial statements: Baht 3,951 million)), as collateral for bank overdrafts, loans from financial institutions, loans from unrelated parties and debentures and as a guarantee for any tax liabilities that may arise from tax assessment of the subsidiary as stated in Note 33.5 b).

## 10. Restricted bank deposits

The Group pledged bank deposits to secure loans from financial institutions, debentures and letters of guarantee issued by the banks on behalf of the Company and its subsidiaries.

## 11. Other non-current financial assets

(Unit: Thousand Baht)

| Consolidated / Separate financial statements |              |             |             |             |  |             |                 |             |
|--|--------------|-------------|-------------|-------------|--|-------------|-----------------|-------------|
| Equity instruments<br>designated at FVOCI    | Shareholding |             | Cost        |             | Unrealised loss on<br>changes in value of<br>other non-current<br>financial assets |             | Carrying amount |             |
|  | percentage   |             |             |             |  |             |                 |             |
|  | <u>2021</u>  | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u>  | <u>2020</u> | <u>2021</u>     | <u>2020</u> |
|  | (Percent)    | (Percent)   |             |             |  |             |                 |             |
| MFC Industrial Investment                    |              |             |             |             |  |             |                 |             |
| Property and Leasehold                       |              |             |             |             |  |             |                 |             |
| Fund (M-II)                                  | 10.04        | 10.04       | 148,663     | 148,663     | (14,849)   | (25,209)    | 133,814         | 123,454     |
| Total  |              |             | 148,663     | 148,663     | (14,849)   | (25,209)    | 133,814         | 123,454     |

The Company received dividends from the fund during the current year amounting to Baht 11 million (2020: Baht 10 million).

The Company has pledged its investments in MFC Industrial Investment Property and Leasehold Fund (M-II) amounting to Baht 121 million (2020: Baht 108 million) to secure promissory note as stated in Notes 17 and 21 to the financial statements.

Other non-current financial assets consist of the investment in unit trust in balanced close-ended fund listed in the Stock Exchange of Thailand and stated at fair value using inputs of Level 1 which is use of quoted market prices in an observable active market for such assets or liabilities.

## 12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

| Company's name  | Paid-up capital |         | Shareholding percentage |           | Cost             |                  | (Unit: Thousand Baht)<br>Dividend received during the year |          |
|---|-----------------|---------|-------------------------|-----------|------------------|------------------|--|----------|
|   | 2021            | 2020    | 2021                    | 2020      | 2021             | 2020             | 2021   | 2020     |
|   |                 |         | (Percent)               | (Percent) |                  |                  |  |          |
| JCK Utilities Company Limited                                 | 425,000         | 425,000 | 100.00                  | 100.00    | 422,550          | 422,550          | -  | -        |
| SG Land Company Limited                                       | 100,450         | 100,450 | 49.94                   | 49.91     | 45,568           | 45,523           | 14,981   | -        |
| Crown Development Company Limited                             | 640,000         | 951,000 | 100.00                  | 100.00    | 435,901          | 746,901          | -  | -        |
| TFD Real Estate Management Company Limited                    | 30,500          | 30,500  | 100.00                  | 100.00    | 30,500           | 30,500           | -  | -        |
| Ratchadamri Real Estate Company Limited                       | 70,300          | 250     | 100.00                  | 100.00    | 70,300           | 250              | -  | -        |
| <b>Total</b>  |                 |         |                         |           | <b>1,004,819</b> | <b>1,245,724</b> | <b>14,981</b>  | <b>-</b> |
| Less: Allowance for impairment of investments in subsidiaries |                 |         |                         |           | (95,697)         | (95,697)         |  |          |
| <b>Net</b>  |                 |         |                         |           | <b>909,122</b>   | <b>1,150,027</b> |  |          |

### Decrease in share capital of the subsidiary

On 23 September 2021, the Extraordinary General Meeting of Shareholders of the subsidiary (Crown Development Company Limited) No. 3/2564 passed a resolution approving a decrease in the registered share capital held by the Company, from Baht 951 million to Baht 640 million, by cancelling 3.11 million ordinary shares of Baht 100 per share. The subsidiary registered the reduction in share capital with the Ministry of Commerce on 18 November 2021 and returned the investment to the Company by offsetting with the loan.

### Increase in share capital of the subsidiary

On 19 July 2021, the Extraordinary General Meeting of Shareholders of the subsidiary (Ratchadamri Real Estate Company Limited) No. 1/2564 passed a resolution approving an increase in share capital of Baht 99 million (990,000 ordinary shares with a par value of Baht 100 each), from Baht 1 million to Baht 100 million. The Company's interest in the subsidiary has remained unchanged. The subsidiary called up 70 percent of share capital, and the Company paid totaling Baht 69.3 million for the shares. The subsidiary registered the capital increase with the Ministry of Commerce on 23 August 2021.

Moreover, the subsidiary called up remaining 75 percent of original registered capital of Baht 1 million, amounting to Baht 0.75 million, and received a full payment.



### Acquisition of investment in a subsidiary

On 17 December 2021, the Company acquired an additional 0.03 percent interest in the ordinary shares of SG Land Company Limited, by paying Baht 45,000. As a result, its ownership interest increase from 49.91 percent to 49.94 percent.

### 12.2 Details of investments in subsidiary that has material non-controlling interests

| (Unit: Million Baht) |                                       |             |                           |             |   |             |  |             |
|----------------------|---------------------------------------|-------------|---------------------------|-------------|---|-------------|--|-------------|
| Company's name       | Proportion of equity interest held by |             | Accumulated balance of    |             | Profit allocated to non-controlling interests |             | Dividend paid to non-controlling interests |             |
|                      | non-controlling interests             |             | non-controlling interests |             | during the year                               |             | during the year                            |             |
|                      | <u>2021</u>                           | <u>2020</u> | <u>2021</u>               | <u>2020</u> | <u>2021</u>                                   | <u>2020</u> | <u>2021</u>                                | <u>2020</u> |
|                      | (Percent)                             | (Percent)   |                           |             |   |             |  |             |
| SG Land Company      |                                       |             |                           |             |   |             |  |             |
| Limited              | 50.06                                 | 50.09       | 156                       | 159         | 12  | 20          | 15   | -           |

### 12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that has material non-controlling interest.

#### Summarised information about financial position

| (Unit: Thousand Baht)   |             |             |
|-------------------------|-------------|-------------|
| SG Land Company Limited |             |             |
| As at 31 December       |             |             |
|                         | <u>2021</u> | <u>2020</u> |
| Current assets          | 210,854     | 165,270     |
| Non-current assets      | 197,241     | 280,497     |
| Current liabilities     | 46,532      | 70,490      |
| Non-current liabilities | 50,722      | 59,951      |

#### Summarised information about comprehensive income

| (Unit: Thousand Baht)          |             |             |
|--------------------------------|-------------|-------------|
| SG Land Company Limited        |             |             |
| For the year ended 31 December |             |             |
|                                | <u>2021</u> | <u>2020</u> |
| Revenue                        | 157,599     | 177,555     |
| Total comprehensive income     | 25,514      | 38,938      |

## Summarised information about cash flow

|  |  | (Unit: Thousand Baht)          |             |
|--|--|--------------------------------|-------------|
|  |  | SG Land Company Limited        |             |
|  |  | For the year ended 31 December |             |
|  |  | <u>2021</u>                    | <u>2020</u> |
| Cash flow from operating activities                  |  | 36,712                         | 55,995      |
| Cash flow used in investing activities               |  | 3,520                          | (51,357)    |
| Cash flow used in financing activities               |  | (432)                          | (4,734)     |
| Net increase (decrease) in cash and cash equivalents |  | <u>39,800</u>                  | <u>(96)</u> |

### 13. Investment in joint venture

#### 13.1 Detail of investment in joint venture:

Investment in joint venture represent investments in entities which are jointly controlled by the subsidiary and other company. Details of these investments are as follows:

|                                      |                    | (Unit: Thousand Baht)             |                |                        |                |                |
|--------------------------------------|--------------------|-----------------------------------|----------------|------------------------|----------------|----------------|
|                                      |                    | Consolidated financial statements |                |                        |                |                |
| Joint venture                        | Shareholding       | Cost                              |                | Carrying amounts       |                |                |
|                                      | percentage         |                                   |                | based on equity method |                |                |
|                                      | <u>2021</u><br>(%) | <u>2020</u><br>(%)                | <u>2021</u>    | <u>2020</u>            | <u>2021</u>    | <u>2020</u>    |
| BGY & TFD Properties Company Limited | 51                 | 51                                | <u>153,000</u> | <u>255,000</u>         | <u>343,707</u> | <u>263,767</u> |

#### 13.2 Share of comprehensive income:

During the year, the subsidiary has recognised its share of comprehensive income from investment in joint venture in the consolidated financial statements as follows:

|                                      |                                  | (Unit: Thousand Baht)             |             |             |  |
|--------------------------------------|----------------------------------|-----------------------------------|-------------|-------------|--|
|                                      |                                  | Consolidated financial statements |             |             |  |
| Joint venture                        | Share of gain from investment in | Share of other                    |             |             |  |
|                                      | joint venture                    | comprehensive income from         |             |             |  |
|                                      |                                  | investment in joint venture       |             |             |  |
|                                      | <u>2021</u>                      | <u>2020</u>                       | <u>2021</u> | <u>2020</u> |  |
| BGY & TFD Properties Company Limited | <u>238,015</u>                   | <u>143,473</u>                    | <u>-</u>    | <u>-</u>    |  |

### 13.3 Summarised financial information about joint venture

#### Summarised information about financial position

|  | (Unit: Million Baht) |             |
|--|----------------------|-------------|
|  | As at 31 December    |             |
|  | <u>2021</u>          | <u>2020</u> |
| <b>BGY &amp; TFD Properties Company Limited</b>          |                      |             |
| Current assets   | 1,189                | 3,403       |
| Non-current assets                                       | 406                  | 94          |
| Current liabilities                                      | (882)                | (2,321)     |
| Non-Current liabilities                                  | (9)                  | (611)       |
| Net assets   | 704                  | 565         |
| Shareholding percentage (%)                              | 51                   | 51          |
| Share of net assets                                      | 359                  | 288         |
| Elimination entries                                      | (15)                 | (24)        |
| Carrying amounts of joint venture based on equity method | 344                  | 264         |

#### Summarised information about comprehensive income

|   | (Unit: Million Baht)           |             |
|---|--------------------------------|-------------|
|   | For the year ended 31 December |             |
|   | <u>2021</u>                    | <u>2020</u> |
| <b>BGY &amp; TFD Properties Company Limited</b> |                                |             |
| Revenue from sale                               | 2,670                          | 1,465       |
| Other income                                    | 50                             | 5           |
| Cost of sales                                   | (1,688)                        | (883)       |
| Selling and administrative expenses             | (482)                          | (212)       |
| Finance cost                                    | (1)                            | (40)        |
| Income tax                                      | (82)                           | (54)        |
| Total comprehensive income                      | 467                            | 281         |

The subsidiary (Crown Development Company Limited) has placed the ordinary shares of BGY & TFD Properties Company Limited as collateral for debentures of the Company as described in Note 19 to financial statements.

On 19 February 2021, the Extraordinary General Meeting of Shareholders of BGY&TFD Properties Company Limited, the joint venture, No. 1/2021 approved the reduction in the registered share capital from Baht 1,000 million to Baht 350 million by decreasing the share value from Baht 100 to Baht 35 per share, for the number of 10,000,000 shares. The joint venture registered the reduction in share capital with the Ministry of Commerce on 16 April 2021 and returned the investment of Baht 76.5 million to the subsidiary by offsetting with loan.

On 14 June 2021, the Annual General Meeting of Shareholders of BGY&TFD Properties Company Limited, the joint venture, for the year 2021 approved the reduction in the registered share capital from Baht 350 million to Baht 300 million by decreasing the share value from Baht 35 to Baht 30 per share, for the number of 10,000,000 shares. The joint venture registered the reduction in share capital with the Ministry of Commerce on 5 August 2021. and returned the investment of Baht 25.5 million to the subsidiary by offsetting with loan.

#### 14. Joint arrangements - joint operations

Financial information of the Company only and the joint arrangements which are the joint operations in 3 entities as described in Note 2.4 to the financial statements are presented including in the separate financial statement as below.

(Unit: Million Baht)

|   | As at 31 December 2021 |                           |                        |                                 |
|---|------------------------|---------------------------|------------------------|---------------------------------|
|   | The Company<br>only    | The joint<br>arrangements | Elimination<br>entries | Separate financial<br>statement |
| <b>Summarised information about<br/>financial position:</b> |                        |                           |                        |                                 |
| Current assets  | 4,713                  | 336                       | -                      | 5,049                           |
| Non-current assets  | 3,386                  | -                         | (336)                  | 3,050                           |
| Current liabilities   | 2,707                  | -                         | -                      | 2,707                           |
| Non-current liabilities                                     | 3,378                  | -                         | -                      | 3,378                           |
| Unappropriated retained earnings                            | 2,168                  | 2                         | -                      | 2,170                           |

(Unit: Million Baht)

|   | For the year ended 31 December 2021 |                           |                        |                                 |
|---|-------------------------------------|---------------------------|------------------------|---------------------------------|
|   | The Company<br>only                 | The joint<br>arrangements | Elimination<br>entries | Separate financial<br>statement |
| <b>Summarised information about<br/>profit or loss:</b> |                                     |                           |                        |                                 |
| Total revenues  | 340                                 | -                         | -                      | 340                             |
| Total expenses  | (365)                               | (1)                       | -                      | (366)                           |
| Operating loss  | (25)                                | (1)                       | -                      | (26)                            |
| Finance income  | 51                                  | -                         | -                      | 51                              |
| Finance cost  | (373)                               | (1)                       | -                      | (374)                           |
| Loss before income tax expenses                         | (347)                               | (2)                       | -                      | (349)                           |
| Income tax expenses                                     | 13                                  | -                         | -                      | 13                              |
| Loss for the year                                       | (334)                               | (2)                       | -                      | (336)                           |

## 15. Investment properties

The net book value of the investment properties as at 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

| Consolidated financial statements      |  |                             |                              |                                 |             |
|--|--|-----------------------------|------------------------------|---------------------------------|-------------|
|  | Land and<br>warehouse<br>building for rent/<br>improvement<br>of leasehold<br>building | Office building<br>for rent | Condominium<br>unit for rent | Right-of-use<br>assets for rent | Total       |
| As at 31 December 2021:                |  |                             |                              |                                 |             |
| Cost                                   | 662,943  | 364,198                     | 57,816                       | 892,091                         | 1,977,048   |
| <u>Less</u> : Accumulated depreciation | (62,777)   | (277,753)                   | (3,876)                      | (657,957)                       | (1,001,882) |
| <u>Less</u> : Allowance for impairment | (1,922)  | -                           | -                            | -                               | (1,922)     |
| Net book value                         | 598,244  | 86,445                      | 53,940                       | 234,615                         | 973,244     |
| As at 31 December 2020:                |  |                             |                              |                                 |             |
| Cost                                   | 636,018  | 364,043                     | 57,816                       | 758,928                         | 1,816,805   |
| <u>Less</u> : Accumulated depreciation | (51,974)   | (254,653)                   | (1,951)                      | (604,196)                       | (912,774)   |
| <u>Less</u> : Allowance for impairment | (1,922)  | -                           | -                            | -                               | (1,922)     |
| Net book value                         | 582,122  | 109,390                     | 55,865                       | 154,732                         | 902,109     |

(Unit: Thousand Baht)

| Separate financial statements          |  |                             |                              |                                 |        |
|--|--|-----------------------------|------------------------------|---------------------------------|--------|
|  | Land and<br>warehouse<br>building for rent/<br>improvement<br>of leasehold<br>building | Office building<br>for rent | Condominium<br>unit for rent | Right-of-use<br>assets for rent | Total  |
| As at 31 December 2021:                |  |                             |                              |                                 |        |
| Cost                                   | -  | -                           | -                            | 13,207                          | 13,207 |
| <u>Less</u> : Accumulated depreciation | -  | -                           | -                            | (481)                           | (481)  |
| Net book value                         | -  | -                           | -                            | 12,726                          | 12,726 |
| As at 31 December 2020:                |  |                             |                              |                                 |        |
| Cost                                   | -  | -                           | -                            | -                               | -      |
| <u>Less</u> : Accumulated depreciation | -  | -                           | -                            | -                               | -      |
| Net book value                         | -  | -                           | -                            | -                               | -      |

The subsidiaries have placed investment properties, with total net book values as at 31 December 2021 of Baht 765 million (2020: Baht 784 million), as collateral to debentures, long-term loan from financial institution and letter of guarantee to guarantee electricity use from bank.

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

|  | (Unit: Thousand Baht) |                |                      |             |
|--|-----------------------|----------------|----------------------|-------------|
|  | Consolidated          |                | Separate             |             |
|  | financial statements  |                | financial statements |             |
|  | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u> |
| Net book value at beginning of year    | 902,109               | 1,029,578      | -                    | -           |
| Acquisition of assets                  | 120,111               | 8,640          | -                    | -           |
| Transfer from right-of-use assets      | 13,207                | -              | 13,207               | -           |
| Transfer from project development cost | 50,892                | 136,846        | -                    | -           |
| Transfer to project development cost   | -                     | (183,652)      | -                    | -           |
| Disposal                               | (22,034)              | -              | -                    | -           |
| Depreciation                           | (91,041)              | (89,303)       | (481)                | -           |
| Net book value at end of year          | <u>973,244</u>        | <u>902,109</u> | <u>12,726</u>        | <u>-</u>    |

The addition information of the investment properties as at 31 December 2021 and 2020 stated below:

|  | (Unit: Thousand Baht)             |             |
|--|-----------------------------------|-------------|
|  | Consolidated financial statements |             |
|  | <u>2021</u>                       | <u>2020</u> |
| Fair value of Land, Warehouse Buildings, and Building improvement for rent   | 939,892                           | 750,113     |
| Fair value of Office building for rent and improvement of leasehold building | 207,889                           | 318,500     |
| Condominium unit for rent  | 65,267                            | 62,570      |
| Lease liabilities  | 75,546                            | 16,607      |

The fair value of investment properties has been determined using the income approach. The main assumptions used in the valuation are yield rate, long-term vacancy rate and long-term growth real rates.

#### Sale of assets to MFC Industrial Investment Property and Leasehold Fund in 2013

In December 2013, the Company and JCK Utilities Company Limited (the subsidiary) transferred the ownership of property and factory buildings in TFD industrial Park and factory buildings in Kingkaew Project to MFC Industrial Investment Property and Leasehold Fund ("the Fund") and have entered into agreement and accepted some conditions as follows:

1. An agreement regarding compensation for property and factory building in a plot of land of which a sublease agreement has not been made or a sublease has been made but rental or service fee has not started or has started but the remaining lease period is less than 6 months. The Company and the subsidiary agreed to guarantee the minimum rental rate and service fee for these assets for a period of three years from the date the property ownership was transferred.
2. An agreement relating to investment in unit trusts of the Fund, whereby the Company or its subsidiary agree to invest in unit trusts not less than 10% of the increase value in unit trust, equivalent to Baht 75 million (7.5 million units). As at 31 December 2021, the Company made an investment in the Fund, equivalent to 10.40% (2020: 10.04%) of the value of the Fund's unit trusts.
3. An amendment agreement of Property manager appointment agreement made with the Fund whereby the Fund appointed the Company as the Management Company to manage the property of the increase of unit trusts to seek benefits from the property. In this regard, the Company agreed to place additional deposit of Baht 0.5 million with the Fund as a performance guaranteed the Management Company.
4. The Company agreed to guarantee of the factory's construction for the period of 5 years after the date of transfer of the factory buildings to the Fund.

## 16. Equipment

(Unit: Thousand Baht)

|  | Consolidated financial statements              |                |   |                              |         |
|--|--|----------------|---|------------------------------|---------|
|  | Improvement of<br>leasehold office<br>building | Motor vehicles | Furniture,<br>fixtures and<br>office<br>equipment | Assets under<br>construction | Total   |
| <b>Cost</b>  |  |                |   |                              |         |
| As at 1 January 2020                               | 22,294   | 42,147         | 93,087  | -                            | 157,528 |
| Additions  | -  | -              | 801   | -                            | 801     |
| Disposals  | -  | (1,298)        | -   | -                            | (1,298) |
| As at 31 December 2020                             | 22,294   | 40,849         | 93,888  | -                            | 157,031 |
| Additions  | -  | 4,800          | 1,716   | -                            | 6,516   |
| Transfer from project<br>development cost (Note 9) | -  | -              | -   | 135,437                      | 135,437 |
| Disposals  | -  | (6,140)        | -   | -                            | (6,140) |
| As at 31 December 2021                             | 22,294   | 39,509         | 95,604  | 135,437                      | 292,844 |
| <b>Accumulated depreciation:</b>                   |  |                |   |                              |         |
| As at 1 January 2020                               | 18,320   | 40,514         | 48,600  | -                            | 107,434 |
| Depreciation for the year                          | 1,379  | 1,350          | 4,026   | -                            | 6,755   |
| Depreciation on disposals                          | -  | (1,298)        | -   | -                            | (1,298) |
| As at 31 December 2020                             | 19,699   | 40,566         | 52,626  | -                            | 112,891 |
| Depreciation for the year                          | 1,191  | 514            | 3,966   | -                            | 5,671   |
| Depreciation on disposals                          | -  | (6,140)        | -   | -                            | (6,140) |
| As at 31 December 2021                             | 20,890   | 34,940         | 56,592  | -                            | 112,422 |
| <b>Net book value:</b>                             |  |                |   |                              |         |
| As at 31 December 2020                             | 2,595  | 283            | 41,262  | -                            | 44,140  |
| As at 31 December 2021                             | 1,404  | 4,569          | 39,012  | 135,437                      | 180,422 |
| <b>Depreciation for the year</b>                   |  |                |   |                              |         |
| 2020 (All included in an administrative expenses)  |  |                |   |                              | 6,755   |
| 2021 (All included in an administrative expenses)  |  |                |   |                              | 5,671   |



(Unit: Thousand Baht)

|  | Separate financial statements                  |                |   |                              |         |
|--|--|----------------|---|------------------------------|---------|
|  | Improvement of<br>leasehold office<br>building | Motor vehicles | Furniture,<br>fixtures and<br>office<br>equipment | Assets under<br>construction | Total   |
|  |  |                |   |                              |         |
| <b>Cost</b>  |  |                |   |                              |         |
| As at 1 January 2020                               | 19,673   | 34,099         | 72,827  | -                            | 126,599 |
| Additions  | -  | -              | 801   | -                            | 801     |
| Disposals  | -  | (1,298)        | -   | -                            | (1,298) |
| As at 31 December 2020                             | 19,673   | 32,801         | 73,628  | -                            | 126,102 |
| Additions  | -  | 4,800          | 1,497   | -                            | 6,297   |
| Transfer from project<br>development cost (Note 9) | -  | -              | -   | 135,437                      | 135,437 |
| Disposals  | -  | (6,140)        | -   | -                            | (6,140) |
| As at 31 December 2021                             | 19,673   | 31,461         | 75,125  | 135,437                      | 261,696 |
| <b>Accumulated depreciation:</b>                   |  |                |   |                              |         |
| As at 1 January 2020                               | 15,736   | 32,868         | 29,620  | -                            | 78,224  |
| Depreciation for the year                          | 1,344  | 948            | 3,659   | -                            | 5,951   |
| Depreciation on disposals                          | -  | (1,298)        | -   | -                            | (1,298) |
| As at 31 December 2020                             | 17,080   | 32,518         | 33,279  | -                            | 82,877  |
| Depreciation for the year                          | 1,191  | 514            | 3,601   | -                            | 5,306   |
| Depreciation on disposals                          | -  | (6,140)        | -   | -                            | (6,140) |
| As at 31 December 2021                             | 18,271   | 26,892         | 36,880  | -                            | 82,043  |
| <b>Net book value:</b>                             |  |                |   |                              |         |
| As at 31 December 2020                             | 2,593  | 283            | 40,349  | -                            | 43,225  |
| As at 31 December 2021                             | 1,402  | 4,569          | 38,245  | 135,437                      | 179,653 |
| <b>Depreciation for the year</b>                   |  |                |   |                              |         |
| 2020 (All included in an administrative expenses)  |  |                |   |                              | 5,951   |
| 2021 (All included in an administrative expenses)  |  |                |   |                              | 5,306   |

As at 31 December 2021, the Group has certain improvements of leasehold office building and equipment items which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 80 million (Separate financial statements: Baht 53 million) (2020: Baht 79 million, (Separate financial statements: Baht 53 million)).

## 17. Bank overdrafts and short-term loans

(Unit: Thousand Baht)

|                   | Interest rate<br>(percent per annum) | Consolidated<br>financial statements |                | Separate<br>financial statements |                |
|-------------------|--------------------------------------|--------------------------------------|----------------|----------------------------------|----------------|
|                   |                                      | <u>2021</u>                          | <u>2020</u>    | <u>2021</u>                      | <u>2020</u>    |
| Bank overdrafts   | MOR                                  | 20,100                               | 24,438         | 20,100                           | 19,490         |
| Bills of exchange | 6.75 - 9.50                          | -                                    | 29,843         | -                                | 29,843         |
| Promissory note   | Nil, 3.75 - 10.00, MLR               | 199,774                              | 168,159        | 169,958                          | 133,380        |
| Short-term loans  | 7.00 - 9.00                          | 185,000                              | 189,656        | 185,000                          | 189,656        |
| Total             |                                      | <u>404,874</u>                       | <u>412,096</u> | <u>375,058</u>                   | <u>372,369</u> |

Bank overdrafts of the Group are guaranteed by the Company and the Executive Chairman and the mortgage of land with construction of the Group.

As at 31 December 2021, the Company has no short-term bills of exchange which are secured by collateral (2020: Baht 30 million).

As at 31 December 2021, the Group has promissory notes from unrelated parties which are secured by collateral amounting to Baht 72 million and promissory notes from unrelated parties and bank are unsecured amounting to Baht 128 million (2020: promissory notes from unrelated parties which are secured by collateral amounting to Baht 5 million and promissory notes from unrelated parties and bank are unsecured amounting to Baht 163 million).

Such promissory note from unrelated party was secured by investments in MFC Industrial Investment Property and Leasehold Fund (M-II).

As at 31 December 2021, the Company has short-term loans from unrelated parties amount of Baht 185 million (2020: Baht 190 million) were secured by the mortgage of land of the Company and Executive Chairman.

## 18. Trade and other payables

|   | (Unit: Thousand Baht) |                |                      |                |
|---|-----------------------|----------------|----------------------|----------------|
|   | Consolidated          |                | Separate             |                |
|   | financial statements  |                | financial statements |                |
|   | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| <u>Trade payables</u>   |                       |                |                      |                |
| Trade accounts payable - unrelated parties                            | 11,017                | 7,405          | 7,430                | 2,841          |
| Accounts payable - construction                                       | 46,375                | 41,583         | 44,936               | 29,587         |
| Total trade payables  | <u>57,392</u>         | <u>48,988</u>  | <u>52,366</u>        | <u>32,428</u>  |
| <u>Other payables</u>   |                       |                |                      |                |
| Other payable - deposit from sale of project - related party (Note 6) | -                     | -              | 40,000               | 40,000         |
| Other payable - related party (Note 6)                                | 4,638                 | 5,076          | 6,667                | 4,401          |
| Retention for constructors  | 29,257                | 28,580         | 18,859               | 17,713         |
| Accrued expenses  | 120,936               | 124,410        | 100,254              | 101,836        |
| Accrued dividend - related party (Note 6)                             | 14,981                | -              | -                    | -              |
| Others  | 13,719                | 11,612         | 9,421                | 6,008          |
| Total other payables  | <u>183,531</u>        | <u>169,678</u> | <u>175,201</u>       | <u>169,958</u> |
| Total trade and other payables  | <u>240,923</u>        | <u>218,666</u> | <u>227,567</u>       | <u>202,386</u> |

## 19. Debentures

|   | (Unit: Thousand Baht)   |                    |
|---|-------------------------|--------------------|
|   | Consolidated / Separate |                    |
|   | financial statements    |                    |
|   | <u>2021</u>             | <u>2020</u>        |
| Senior and secured debenture 3/2561                           | 344,320                 | 387,360            |
| Senior and partially secured debenture 1/2562                 | 472,950                 | 525,500            |
| Senior and secured debenture 2/2562                           | 965,900                 | 966,400            |
| Senior and secured debenture 3/2562                           | 529,717                 | 546,100            |
| Senior and secured debenture 1/2563                           | 811,100                 | 811,100            |
| Senior and secured debenture 2/2563                           | 390,000                 | 390,000            |
| Less: Unamortised cost relating to the issuance of debentures | <u>(13,143)</u>         | <u>(18,654)</u>    |
| Total   | 3,500,844               | 3,607,806          |
| Less: Current portion of debenture                            | <u>(731,381)</u>        | <u>(2,118,805)</u> |
| Debentures - net of current portion                           | <u>2,769,463</u>        | <u>1,489,001</u>   |

Movements of the debentures account during the years ended 31 December 2021 and 2020 are summarised below:

|   | (Unit: Thousand Baht)                           |                  |
|---|---|------------------|
|   | Consolidated / Separate<br>financial statements |                  |
|   | <u>2021</u>                                     | <u>2020</u>      |
| Beginning balance                                 | 3,607,806                                       | 3,651,916        |
| Issuance during the year                          | -   | 1,201,100        |
| Repayment during the year                         | (112,473)                                       | (1,252,040)      |
| Debentures costs for extension maturity date      | (14,143)  | (21,357)         |
| Amortisation of deferred debentures issuing costs | 19,654  | 28,187           |
| Ending balance                                    | <u>3,500,844</u>                                | <u>3,607,806</u> |

On 27 September 2018, the Company issued and offered 430,400 units of senior and secured debentures 3/2561 with a face value of Baht 1,000 each, amounting to Baht 430.4 million. The debentures mature on 27 September 2020 and bear interest at the rate of 6.50% per annum, payable every 3 months.

The debentures were secured by the following:

- (1) Ordinary shares of the joint venture held by a subsidiary
- (2) A collateral agreement whereby a subsidiary agrees to take responsibility for 100 percent of principal

Subsequently, on 10 September 2020, the Meeting of Debenture holders No. 1/2563 for the senior and secured debentures 3/2561 passed a resolution approving amendment of clause in rights and duties of debenture issuer and holders with respect to the extension maturity date, changes of applicable interest rates and the conditions for early redemption. As a result, the maturity date is extended to 27 March 2022, with interest payable every three months at the rates of 6.50% per annum for the period from issuance date until 26 September 2020, and 7.00% per annum for the period from 27 September 2020 to 27 March 2022. The Company is to repay the principal of the debentures in 6 installments, in the amount equal to 5.00% of the principal each, and the repayment will be made every 3 months, starting from 27 September 2020. The remaining balance (70% of the principal) will be repaid on the maturity date.

Subsequently, on 6 August 2021, the Meeting of Debenture holders No. 1/2564 for the senior and secured debentures 3/2561 passed a resolution approving an amendment to the clause concerning rights and duties of debenture issuer and holders whereby the installment payment of the principal of the debentures is to be cancelled. The Company will stop repaying partial principal every quarter at the rate 5% of the remaining principal repayable in 2 installments, or equivalent to 10% of the principal. The Company is to repay the remaining principal at 80% of the principal on the maturity date.

On 15 February 2019, the Company issued and offered 525,500 units of senior and partially secured debentures 1/2562 with a face value of Baht 1,000 each, amounting to Baht 525.5 million. The debentures mature on 15 February 2021 and bear interest at a rate of 6.75% per annum, payable every 3 months. The debentures were secured by the part of land with construction thereon of the Company in Chachoengsao Province.

Subsequently, on 22 January 2021, the Meeting of Debenture holders No. 1/2564 for the senior and secured debentures 1/2562 passed a resolution approving amendment of clause in rights and duties of debenture issuer and holders with respect to the extension maturity date, changes of applicable interest rates and the conditions for early redemption. As a result, the maturity date is extended to 15 February 2023, with interest payable every three months at the rates of 6.75% per annum for the period from issuance date until 15 February 2021, and 7.25% per annum for the period from 15 May 2021 to 15 February 2023. The Company is to repay the principal of the debentures in 8 installments, in the amount equal to 5.00% of the principal each, and the repayment will be made every 3 months, starting from 15 February 2021. The remaining balance (60% of the principal) will be repaid on the maturity date.

Subsequently, on 5 August 2021, the Meeting of Debenture holders No. 2/2564 for the senior and secured debentures 1/2562 passed a resolution approving an amendment to the clause concerning rights and duties of debenture issuer and holders whereby the installment payment of the principal of the debentures is to be cancelled. The Company will stop repaying partial principal every quarter at the rate 5% of the remaining principal repayable in 6 installments, or equivalent to 30% of the principal. The Company is to repay the remaining principal of 90% of the principal on the maturity date.

On 22 March 2019, the Company issued and offered 1,006,400 units of senior, secured and callable debentures 2/2562 with a face value of Baht 1,000 each, amounting to Baht 1,006.4 million. The debentures mature on 22 March 2021 and bear interest at a rate of 6.75% per annum, payable every 3 months. The debentures were secured by the part of land with construction thereon of the subsidiary in Chachoengsao Province.

The Company partially redeemed senior, secured and callable debentures 2/2562 in the secondary market amounting to Baht 41 million.

Subsequently, on 22 February 2021, the Meeting of Debenture holders No. 2/2564 for the senior and secured debentures 2/2562 passed a resolution approving amendment of clause in rights and duties of debenture issuer and holders with respect to the extension maturity date, changes of applicable interest rates and the conditions for early redemption. As a result, the maturity date is extended to 22 March 2023, with interest payable every three months at the rates of 6.75% per annum for the period from issuance date until 22 March 2021, and 7.00% per annum for the period from 22 June 2021 to 22 March 2023. The Company is to repay the principal of the debentures in 5 installments, in the amount equal to 5.00% of the principal each, and the repayment will be made every 3 months, starting from 22 December 2021. The remaining balance (75% of the principal) will be repaid on the maturity date. In addition, during the term of the debenture, if the debenture issuer who pledged the assets disposes of or transfers the pledged assets to third parties in the ordinary course of business and for business purposes, the debenture issuer may release the pledged assets and replace them with other collaterals of equal value to maintain the ratio of collateral to total debt at 1:1 or higher.

Subsequently, on 13 August 2021, the Meeting of Debenture holders No. 2/2564 for the senior and secured debentures 2/2562 passed a resolution approving an amendment to the clause concerning rights and duties of debenture issuer and holders whereby the installment payment of the principal of the debentures is to be cancelled. The Company will stop repaying partial principle every quarter at the rate 5% of the remaining principle repayable in 5 installments, or equivalent to 25% of the principal. The Company is to repay 100% of principal on the maturity date.

On 26 July 2019, the Company issued and offered 546,100 units of senior, secured and callable debentures 3/2562 with a face value of Baht 1,000 each, amounting to Baht 546.1 million. The debentures mature on 26 July 2021 and bear interest at a rate of 6.75% per annum, payable every 3 months.

The debentures were secured by the following:

- (1) Part of the Company's vacant lands in Chachoengsao Province.
- (2) Certain condominium units under a real estate development project of the subsidiary.

Subsequently, on 30 June 2021, the Meeting of Debenture holders No. 1/2564 for the senior and secured debentures 3/2562 passed a resolution approving an amendment to the clause concerning rights and duties of debenture issuer and holders with respect to the extension of maturity date, changes of applicable interest rates and conditions for early redemption.

As a result, the maturity date is extended to 26 July 2023, with interest payable every 3 months at the rate of 6.75% per annum for the period from the issuance date to 26 July 2021 and the rate of 7.00% per annum for the period from 26 October 2021 to 26 July 2023. The Company is to repay the principal of the debentures in 2 installments, with the first installment comprising the amount equal to 3.00% of the principal to be repaid on 26 July 2021 and the second installment comprising the remaining balance (97% of the principal) to be repaid on the maturity date.

On 24 January 2020, the Company issued and offered 811,100 units of senior, secured and callable debentures 1/2563 with a face value of Baht 1,000 each, amounting to Baht 811.1 million. The debentures mature on 24 January 2022 and bear interest at a rate of 7.00% per annum, payable every 3 months. The debentures were secured by the part of land with construction thereon of the Company in Chachoengsao Province.

Subsequently, on 21 December 2021, the Meeting of Debenture Holders No. 1/2021 for the senior and secured debentures No. 1/2563 passed a resolution approving an amendment to the clause concerning the rights and duties of debenture issuer and holders with respect to the extension of maturity date. As a result, the maturity date is extended to 24 January 2024.

On 13 February 2020, the Company issued and offered 390,000 units of senior, secured and callable debentures 2/2563 with a face value of Baht 1,000 each, amounting to Baht 390 million. The debentures mature on 13 August 2022 and bear interest at a rate of 7.25% per annum, payable every 3 months. The debentures were secured by the part of land with construction thereon of the Company in Chachoengsao Province.

The balance of the debentures is presented net of deferred debenture issuing costs. Under the debentures agreement, there are normal covenants relating to various matters, as required in the normal course of business.

## **20. Convertible debentures**

On 23 September 2021, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve on issuance and offering of the convertible debentures on a private placement basis to Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund I ("AO Fund 1"). Details are as follows:

|  |   |
|--|---|
| Total principal amount of convertible debentures | <p>Not exceeding Baht 1,000 million divided into 3 tranches as follows:</p> <ol style="list-style-type: none"> <li>1) Tranche 1 Convertible debentures in the amount of not exceeding Baht 200 million divided into 40 equal sub-tranches, each of which is Baht 5 million.</li> <li>2) Tranche 2 Convertible debentures in the amount of not exceeding Baht 250 million divided into 25 equal sub-tranches, each of which is Baht 10 million.</li> <li>3) Tranche 3 Convertible debentures in the amount of not exceeding Baht 250 million divided into 25 equal sub-tranches, each of which is Baht 10 million.</li> <li>4) Tranche 4 Convertible debentures in the amount of not exceeding Baht 300 million divided into 15 equal sub-tranches, each of which is Baht 20 million.</li> </ol> |
| Issuance condition                               | <p>The Company will issue the convertible bond following by Tranche (1-4) according to the liquidity of the Company. The issuance has to follow the condition president including condition and conversion of such convertible debentures.</p> <p>However, the timeframe of the issuance is within 3 years after shareholder's meeting approved the issuance. But it can be reconsidered by shareholder if the Company would like to extend these matter.</p>   |
| Interest rate                                    | 2 percent per annum, provided that the interest will be paid on a quarterly basis.  |
| Maturity Period                                  | 3 years after the issuance of each Tranche.   |
| Payback Condition                                | Repay in lump sum after each due of specific Tranche.   |
| Right to redemption of convertible debentures    | <p>Convertible debenture holders may or may not have the right to request that the Company redeem convertible debentures before maturity, and/or the Company may or may not have the right to redeem convertible debentures before maturity. Redemption of convertible debentures shall be in accordance with the terms and conditions of the convertible debentures that will be issued each time.</p>   |
| Conversion Price                                 | Will not lower than 90 percent of the weighted average price of the Company's shares trading on the Stock Exchange of Thailand (SET) for not less than 7 consecutive business days but not more than 15 consecutive business days before the date that convertible debenture holders exercise their convertible debentures.   |



On 19 November 2021, the Company entered into a senior and unsecured convertible debenture agreement with Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1") with a total value of not exceeding Baht 1,000 million as described above.

Subsequently, on 9 December 2021, the Company issued and sold the Company's newly issued convertible debentures No. 1/2564 for a total of Baht 50 million. In December 2021, convertible debenture holders exercised their conversion rights to convert the debentures of Baht 50 million. The total number of shares issued from the exercise of the conversion rights was 50,155,670 shares with a par value of Baht 1 per share, representing the increase in paid-up capital of Baht 50,155,670. The Company registered the increase in the paid-up capital with the Ministry of Commerce in December 2021.

In January and February 2022, the Company issued and sold its newly issued convertible debentures totaling Baht 180 million, and the debenture shareholders exercised their conversion rights to convert debentures of Baht 150 million into a total of 167,815,372 ordinary shares.

Movements of the convertible debentures and options for consolidated and separate financial statements are summarised below.

|   | (Unit: Thousand Baht)   |
|---|---|
|   | Consolidates financial statements/<br>Separate financial statements |
| <u>Convertible debentures</u>               |   |
| Balance as at 1 January 2021                | -   |
| Add: the issuance of convertible debentures | 50,000  |
| Less: transaction cost                      | 9,727   |
| Less: exercise of conversion rights         | (50,000)  |
| Add: amortised - transaction cost           | (9,727)   |
| Balance as at 31 December 2021              | -   |

|                                     | (Unit: Thousand Baht)   |
|-------------------------------------|---|
|                                     | Consolidates financial statements/<br>Separate financial statements |
| <u>Options</u>                      |   |
| Balance as at 1 January 2021        | -   |
| Add: the issuance of options        | 5,556   |
| Less: exercise of conversion rights | (5,556)   |
| Balance as at 31 December 2021      | -   |

## 21. Long-term loans

| (Unit: Thousand Baht)                   |            |                                |                      |                |                      |                |
|---|------------|--------------------------------|----------------------|----------------|----------------------|----------------|
| Credit No.                              | Currencies | Credit facilities<br>(Million) | Consolidated         |                | Separate             |                |
|   |            |                                | financial statements |                | financial statements |                |
|   |            |                                | <u>2021</u>          | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| 1                                       | Baht       | 159                            | -                    | 20,476         | -                    | -              |
| 2                                       | Baht       | 235                            | -                    | 67,400         | -                    | -              |
| 3                                       | Baht       | 1,600                          | 880,614              | 981,581        | 880,614              | 981,581        |
| 4                                       | Baht       | 55                             | 46,304               | 46,328         | -                    | -              |
| 5                                       | Baht       | 35                             | 30,000               | 35,000         | 30,000               | 35,000         |
| 6                                       | Baht       | 40                             | 40,000               | 40,000         | 40,000               | 40,000         |
| 7                                       | Baht       | 300                            | 268,948              | -              | -                    | -              |
| 8                                       | Baht       | 48                             | 45,804               | -              | -                    | -              |
| Total                                   |            |                                | 1,311,670            | 1,190,785      | 950,614              | 1,056,581      |
| Less : Current portion                  |            |                                | (972,467)            | (442,445)      | (920,614)            | (397,506)      |
| Long-term loans, net of current portion |            |                                | <u>339,203</u>       | <u>748,340</u> | <u>30,000</u>        | <u>659,075</u> |

Movements of the long-term loan account during the years ended 31 December 2021 and 2020 are summarised below:

| (Unit: Thousand Baht)              |                      |                  |                    |                  |
|------------------------------------|----------------------|------------------|--------------------|------------------|
|                                    | Consolidated         |                  | Separate financial |                  |
|                                    | financial statements |                  | statements         |                  |
|                                    | <u>2021</u>          | <u>2020</u>      | <u>2021</u>        | <u>2020</u>      |
| Beginning balance                  | 1,190,785            | 1,213,012        | 1,056,581          | 1,005,030        |
| Additional borrowings              | 348,000              | 102,220          | -                  | 102,220          |
| Amortisation of deferred loan cost | 1,724                | 421              | 494                | 331              |
| Amortisation of prepaid interest   | 30,160               | -                | -                  | -                |
| Payment of loan cost               | (4,500)              | -                | -                  | -                |
| Payment of prepaid interest        | (39,076)             | -                | -                  | -                |
| Repayments                         | (215,423)            | (124,868)        | (106,461)          | (51,000)         |
| Ending balance                     | <u>1,311,670</u>     | <u>1,190,785</u> | <u>950,614</u>     | <u>1,056,581</u> |

#### Loan (1)

On 13 January 2015, a subsidiary received a loan facility of Baht 159 million from a local bank, which has been drawn down in full (the amount of the loan facility after a drawdown period is expired), carrying interest at MLR-0.5% per annum, payable on the 10<sup>th</sup> of every month from the drawdown date. Principal was payable from the 13<sup>th</sup> month onwards, counting from the drawdown date, in monthly payments of no less than Baht 7,700,000 until the loan is repaid in full, which must be completed within 3 years from the drawdown date.

In 2016, the subsidiary entered into the amendment memorandum to the loan agreement. The subsidiary was granted a postponement of the date for the first principal repayment to March 2017, and the loan must be fully repaid by February 2019.

In 2017, the subsidiary entered into an amendment memorandum to the loan agreement, allowing the subsidiary to make repayment in monthly installments from January 2018 to November 2027, with a step rate feature whereby installments begin at Baht 1,000,000 rising to Baht 2,500,000, and the balance is to be paid in the final installment in December 2027.

The loan was secured by the following:

- (1) The mortgage of land with construction thereon of a subsidiary and the assignment of the beneficiary rights under the insurance policies covering these assets to the lender.
- (2) Letter of guarantee from the Company and the Executive Chairman.

During the current year, the subsidiary made a full repayment of the loan before maturity. The early repayment charge is Baht 0.3 million.

#### Loan (2)

On 13 January 2015, a subsidiary received a loan facility of Baht 235 million from a local bank (which has been drawn down in full), carrying interest at MLR-0.5% per annum, payable on the 14<sup>th</sup> of every month from the drawdown date. Principal was payable from the 16<sup>th</sup> month onwards, counting from the drawdown date, in monthly payments of no less than Baht 11,200,000 until the loan is repaid in full, which must be completed within 3 years from the drawdown date.

In 2016, the subsidiary entered into the amendment memorandum to the loan agreement. The subsidiary was granted a postponement of the date for the first principal repayment to May 2017, and the loan must be fully repaid by January 2019.

In 2017, the subsidiary entered into an amendment memorandum to the loan agreement, allowing the subsidiary to make repayment in monthly installments from January 2018 to November 2027, with a step rate feature whereby installments begin at Baht 1,000,000 rising to Baht 3,000,000, and the balance is to be paid in the final installment in December 2027.

The loan was secured by the following:

- (1) The mortgage of land with construction thereon of a subsidiary and the assignment of the beneficiary rights under the insurance policies covering these assets to the lender.
- (2) Letter of guarantee from the Company and the Executive Chairman.

During the current year, the subsidiary made a full repayment of the loan before maturity. The early repayment charge is Baht 0.9 million.

#### Loan (3)

On 24 October 2017, the Company obtained a loan facility from a local financial institution granting long-term loan facilities of Baht 1,600 million (Baht 1,100 million has been drawn down), bank guarantee facilities of Baht 500 million and bank overdraft facilities of Baht 20 million. The long-term loans carry interest at MLR per annum, payable at the end of each month from the drawdown date. Principal is payable commencing from the 25<sup>th</sup> month after the drawdown date, and principal are to be repaid in monthly installments of no less than Baht 33 million until the loan is repaid in full, which must be completed within 6 years from the drawdown date.

On 4 February 2020, the Company requested a 12-month deferral on principal repayment. As a result, the Company did not repay the principal in February 2020 and March 2020.

Subsequently, on 29 April 2020, the Company entered into a debt restructuring agreement which stipulates the following conditions.

- Principal repayable is to begin from February 2021 to September 2024, with a monthly payment of Baht 33 million. The remaining balance is to be paid fully in the final installment in October 2024.
- Interest incurring from April 2020 to July 2020 is to be accrued and payable monthly from August 2020 onwards.
- The accrued interest is payable from August 2020 to December 2020 with a monthly payment of Baht 2.68 million, and the remaining balance is to be paid in full in January 2021.

- If the Company complies with the conditions described in the agreement without default and violations, the accrued interest of Baht 8.79 million will be exempted.

On 20 November 2020, the Company entered into a debt restructuring agreement which stipulates the following conditions.

- Principal is repayable in monthly installment of Baht 33 million each from February 2021 to September 2024. The remaining balance is to be paid fully in the final installment in October 2024.
- Interest incurring from October 2020 to December 2020 is payable at the rate of 1% per annum. The remaining interest is to be accrued and payable monthly from January 2021 onwards.
- The accrued interest incurring from 25 March 2020 to 24 July 2020 amount of Baht 11.49 million is payable in monthly installment of Baht 1 million each from January 2021 to November 2021. The remaining balance is to be paid in full in December 2021.
- The accrued interest incurring from October 2020 to December 2020 is payable in monthly installment of Baht 0.87 million each from January 2021 until the accrued interest is paid in full.

On 25 January 2021, the Company requested a 12-month deferral on principal repayment, and on 3 December 2021, the Company requested yet another deferral on principal repayment, where the first payment is to be made in January 2024. As the Company is waiting for the bank's decision on the approval, it has not made repayment for the loan principal as stated in the agreement. Therefore, the lender has the right to demand repayment at any time. Consequently, the Company has classified the loan as current portion of long-term loans in the statement of financial position as of 31 December 2021. The Bank is currently considering a letter of deferral issued by the Company.

The loan was secured by the following:

- (1) The mortgage of land with construction thereon and the assignment of the beneficiary rights under the insurance policies covering these assets to the lender.
- (2) Letter of guarantee from the Executive Chairman.

#### Loan (4)

On 14 September 2018, a subsidiary obtained a loan facility of Baht 55 million from a local financial institution (which had been fully drawn down), carrying interest at AF-MLR-1.25% per annum. From March 2019 onwards, principal and interest are to be paid every month in accordance with the agreement. The loan and interest must be fully repaid within September 2021.

Subsequently, on 19 May 2020, the subsidiary entered into the amendment memorandum to the loan agreement which stipulates the following conditions.

- The moratorium period from April 2020 to March 2021 on the principal and interests is granted. Step loan repayment is applied from April 2021 to August 2022, beginning from Baht 1,000,000 for the first monthly installment and stepping up to a monthly installment of Baht 4,500,000, and the remaining balance is to be repaid in full in the final installment in September 2022.
- Interest incurring from April 2020 to September 2020 is to be accrued and payable monthly from October 2020 onwards.
- The accrued interest is payable from October 2020 to March 2021, with a monthly payment of no less than Baht 300,000, and the remaining balance is to be paid in full in March 2021.

Subsequently, on 13 September 2021, the subsidiary entered into the amendment memorandum to the loan agreement which stipulates the following conditions.

- The moratorium period from April 2020 to September 2021 on the principal is granted. The interest incurring from April 2021 to September 2021 is to be paid monthly.
- Step loan repayment is applied from October 2021 to February 2023, beginning from Baht 1,000,000 for the first monthly installment and stepping up to a monthly installment of Baht 3,700,000, and the remaining balance is to be repaid in full in the final installment in March 2023.

Subsequently, on 8 November 2021, the subsidiary entered into the amendment memorandum to the loan agreement which stipulates the following conditions.

- The moratorium period from April 2020 to December 2022 on the principal is granted. The interest incurring from April 2021 to December 2022 is to be paid monthly.

- Step loan repayment is applied from January 2023 to February 2025, beginning from Baht 1,000,000 for the first monthly installment and stepping up to a monthly installment of Baht 2,200,000, and the remaining balance is to be repaid in full in the final installment in March 2025.

The loan was secured by the following:

- (1) The mortgage of land of the Company.
- (2) Letter of guarantee from the Executive Chairman.

#### Loan (5)

On 17 January 2019, the Company obtained a loan of Baht 35 million from a local financial institution in form of a bills of exchange, carrying interest at 6.75% per annum. The loan is to be fully repaid in January 2021.

On 19 January 2021 the Company repaid the loan amount of Baht 5 million and obtained a loan of Baht 30 million from a third party in form of promissory note, carrying an interest at the rate of 6.75% per annum. The loan is to be fully repaid in January 2023.

The loan was secured by investments in MFC Industrial Investment Property and Leasehold Fund (M-II).

#### Loan (6)

On 2 November 2020, the Company obtained a loan of Baht 40 million from third party in form of promissory note, carrying interest at 6.80% per annum. The loan is to be fully repaid in May 2022.

The loan was secured by part of the Company's vacant lands in Chachoengsao Province.

#### Loan (7)

On 18 March 2021, a subsidiary received a loan facility of Baht 300 million from local financial institutions (which has been fully drawn down), carrying interest at 12.00% per annum. The principal is repayable annually in 3 installments of Baht 75,000,000 each from the drawdown date until the loan is repaid in full. The loan must be fully repaid within 15 March 2024.

The loan is secured by the following:

- (1) The mortgage of land with construction thereon of the subsidiary and the assignment of the beneficiary rights under the insurance policies covering these assets to the lender.
- (2) Letter of guarantee from the Company and the Executive Chairman.

Loan (8) On 17 June 2021, a subsidiary obtained a loan of Baht 48 million from a local financial institution (which has been fully drawn down), carrying interest at 10% per annum. The prepaid interest is payable annually and the principal is to be fully repaid in June 2023.

The loan is secured by the subsidiary's lands in Chiang Rai Province.

The loan agreements contain certain covenants and restrictions which the Group must comply, related to such matters as the maintenance of a debt to equity ratio of not more than 3:1, the maintenance of the shareholding structure and providing loans to related parties.

As at 31 December 2021, the Company had no undrawn credit facilities under loan agreements (31 December 2020: Nil).

## 22. Leases

### 22.1 The Group as a lessee

The Group has lease contracts for various items of property, building, and equipment used in its operations. Leases generally have lease terms between 3 - 50 years.

#### a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

|                                 | (Unit: Thousand Baht)             |                  |                |          |
|---------------------------------|-----------------------------------|------------------|----------------|----------|
|                                 | Consolidated financial statements |                  |                |          |
|                                 | Land                              | Office Buildings | Motor vehicles | Total    |
| 1 January 2020                  | 562,408                           | 22,902           | 5,112          | 590,422  |
| Depreciation for the year       | (13,155)                          | (8,328)          | (1,455)        | (22,938) |
| 31 December 2020                | 549,253                           | 14,574           | 3,657          | 567,484  |
| Additions                       | -                                 | -                | 6,872          | 6,872    |
| Transfer to investment property | (13,207)                          | -                | -              | (13,207) |
| Depreciation for the year       | (12,674)                          | (8,328)          | (2,070)        | (23,072) |
| 31 December 2021                | 523,372                           | 6,246            | 8,459          | 538,077  |



(Unit: Thousand Baht)

|                                 | Separate financial statements |           |                |          |
|---------------------------------|-------------------------------|-----------|----------------|----------|
|                                 | Land                          | Buildings | Motor vehicles | Total    |
| 1 January 2020                  | 562,408                       | 22,902    | 3,464          | 590,422  |
| Depreciation for the year       | (13,155)                      | (8,328)   | (1,003)        | (22,486) |
| 31 December 2020                | 549,253                       | 14,574    | 2,461          | 566,288  |
| Additions                       | -                             | -         | 6,872          | 6,872    |
| Transfer to investment property | (13,207)                      | -         | -              | (13,207) |
| Depreciation for the year       | (12,674)                      | (8,328)   | (1,617)        | (22,619) |
| 31 December 2021                | 523,372                       | 6,246     | 7,716          | 537,334  |

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment property which is presented in Note 15.

**b) Lease liabilities**

(Unit: Thousand Baht)

|  | Consolidated         |             | Separate             |             |
|--|----------------------|-------------|----------------------|-------------|
|  | financial statements |             | financial statements |             |
|  | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Lease payments                             | 2,134,100            | 1,914,979   | 1,896,560            | 1,896,288   |
| Less: Deferred interest expenses           | (1,419,312)          | (1,346,905) | (1,306,815)          | (1,345,819) |
| Total                                      | 714,788              | 568,074     | 589,745              | 550,469     |
| Less: Portion due within one year          | (89,788)             | (36,267)    | (42,196)             | (27,093)    |
| Lease liabilities - net of current portion | 625,000              | 531,807     | 547,549              | 523,376     |

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

|                              | Consolidated         |             | Separate             |             |
|------------------------------|----------------------|-------------|----------------------|-------------|
|                              | financial statements |             | financial statements |             |
|                              | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Balance at beginning of year | 568,074              | 542,360     | 550,469              | 517,264     |
| Additions                    | 119,850              | -           | 5,226                | -           |
| Accretion of interest        | 41,434               | 38,770      | 39,355               | 37,618      |
| Repayments                   | (14,570)             | (13,055)    | (5,305)              | (4,412)     |
| Balance at end of year       | 714,788              | 568,074     | 589,745              | 550,469     |

A maturity analysis of lease payments is disclosed in Note 34.1 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

|  | (Unit: Thousand Baht) |             |                      |             |
|--|-----------------------|-------------|----------------------|-------------|
|  | Consolidated          |             | Separate             |             |
|  | financial statements  |             | financial statements |             |
|  | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Depreciation expense of right-of-use assets    | 23,075                | 22,938      | 22,619               | 22,486      |
| Interest expense on lease liabilities          | 41,434                | 38,770      | 39,354               | 37,618      |
| Expense relating to leases of low-value assets | 275                   | 274         | 179                  | 179         |

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 15 million (2020: Baht 13 million) (the Company only: Baht 5 million, 2020: Baht 4 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.

**22.2 Group as a lessor**

The Group has entered into operating leases for its investment property portfolio consisting of office building and manufacturing building (see Note 15) of the lease terms are between 1 - 10 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2021 and 2020 as follows:

|                          | (Unit: Thousand Baht) |                |
|--------------------------|-----------------------|----------------|
|                          | Consolidated          |                |
|                          | financial statements  |                |
|                          | <u>2021</u>           | <u>2020</u>    |
| Within 1 year            | 170,704               | 168,338        |
| Over 1 and up to 5 years | 138,160               | 106,360        |
| Over 5 years             | 4,269                 | 4,396          |
| Total                    | <u>313,133</u>        | <u>279,094</u> |

During 2021 the Group has sub-lease income amounting to Baht 207 million (2020: Baht 211 million).

### 23. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

|  | (Unit: Thousand Baht) |               |                      |               |
|--|-----------------------|---------------|----------------------|---------------|
|  | Consolidated          |               | Separate             |               |
|  | financial statements  |               | financial statements |               |
|  | <u>2021</u>           | <u>2020</u>   | <u>2021</u>          | <u>2020</u>   |
| <b>Provision for long-term employee benefits</b> |                       |               |                      |               |
| <b>at beginning of year</b>                      | 33,288                | 27,061        | 22,423               | 17,452        |
| Included in profit or loss:                      |                       |               |                      |               |
| Current service cost                             | 7,252                 | 8,440         | 5,096                | 6,372         |
| Interest cost                                    | 445                   | 361           | 297                  | 237           |
| Benefits paid during the year                    | (848)                 | (2,574)       | -                    | (1,638)       |
| <b>Provision for long-term employee benefits</b> |                       |               |                      |               |
| <b>at end of year</b>                            | <u>40,137</u>         | <u>33,288</u> | <u>27,816</u>        | <u>22,423</u> |

The Group expect to pay Baht 6.5 million of long-term employee benefits during the next year (Separate financial statements: Baht 4.7 million) (2020: Baht 6.5 million, (Separate financial statements: Baht 4.7 million)).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 4 - 12 years (Separate financial statement: 7 years) (2020: 4 - 12 years, (Separate financial statements: 7 years)).

Significant actuarial assumptions are summarised below:

|   | Consolidated financial statements |             | Separate financial statements |             |
|---|-----------------------------------|-------------|-------------------------------|-------------|
|   | <u>2021</u>                       | <u>2020</u> | <u>2021</u>                   | <u>2020</u> |
|   | (%)                               | (%)         | (%)                           | (%)         |
| Discount rate   | 1.09 - 2.22                       | 1.25 - 1.69 | 1.67                          | 1.36        |
| Future salary increase rate                                   | 5.00                              | 5.00        | 5.00                          | 5.00        |
| Staff turnover rate (depending on<br>age and level of staffs) | 1 - 14                            | 2 - 30      | 1 - 14                        | 2 - 30      |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

|                             | 2021                              |              |                               |              |
|-----------------------------|-----------------------------------|--------------|-------------------------------|--------------|
|                             | Consolidated financial statements |              | Separate financial statements |              |
|                             | Increase 1%                       | Decrease 1%  | Increase 1%                   | Decrease 1%  |
| Discount rate               | (1,301)                           | 1,472        | (763)                         | 873          |
| Future salary increase rate | 538                               | 791          | (1,513)                       | 1,675        |
|                             | Increase 10%                      | Decrease 10% | Increase 10%                  | Decrease 10% |
|                             | (961)                             | 765          | (433)                         | 483          |
|                             |                                   |              |                               |              |

(Unit: Thousand Baht)

|                             | 2020                              |              |                               |              |
|-----------------------------|-----------------------------------|--------------|-------------------------------|--------------|
|                             | Consolidated financial statements |              | Separate financial statements |              |
|                             | Increase 1%                       | Decrease 1%  | Increase 1%                   | Decrease 1%  |
| Discount rate               | (1,349)                           | 1,506        | (825)                         | 926          |
| Future salary increase rate | 2,280                             | (2,082)      | 1,461                         | (1,332)      |
|                             | Increase 10%                      | Decrease 10% | Increase 10%                  | Decrease 10% |
|                             | (663)                             | 728          | (423)                         | 467          |
|                             |                                   |              |                               |              |

## 24. Share capital

On 19 April 2021, the Annual General Meeting of Shareholders of the Company for the year 2021 approved the followings significant transactions.

- Approved the increase in the registered share capital of the Company from Baht 3,220,551,718 to Baht 3,864,662,060 by issuing 644,110,342 new ordinary shares with a par value of Baht 1 each to support the allotment of share to existing shareholders via rights offering and private placement. The Company registered the increase in its share capital with the Ministry of Commerce on 23 April 2021.
- Approved the allocation of not exceeding 429,406,895 newly issued ordinary shares with a par value of Baht 1 each to be offered to existing shareholders via rights offering and not exceeding 214,703,447 newly issued ordinary shares with a par value of Baht 1 each to be offered to investors via private placement.

Subsequently, on 24 June 2021, the Board of Directors' Meeting No.4/2564 of the Company passed a resolution approving the offering of 16,260,000 new ordinary shares to investors on a private placement basis at a price of Baht 1.23 each. The Company received payment for the newly issued shares of Baht 20 million on 25 June 2021. The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce from Baht 2,147,034,479 to 2,163,294,479 (2,163,294,479 ordinary shares at a par value of Baht 1 each) on 28 June 2021.

Subsequently, on 29 June 2021, the Board of Directors' Meeting No.5/2564 of the Company passed a resolution approving the offering of 8,000,000 new ordinary shares to investors on a private placement basis at a price of Baht 1.25 each. The Company received payment for the newly issued shares of Baht 10 million on 30 September 2021. The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce from Baht 2,163,294,479 to 2,171,294,479 (2,171,294,479 ordinary shares at a par value of Baht 1 each) on 1 July 2021.

Subsequently, on 23 September 2021, the Extra Ordinary General Meeting of the shareholders of the Company passed the following significant resolutions:

- a) To decrease its registered capital from Baht 3,864,662,060 to Baht 3,244,811,718 by canceling 619,850,342 ordinary shares remaining unsold or not yet sold at a par value of Baht 1.00 per share.
- b) To increase its registered capital from Baht 3,244,811,718 to Baht 4,438,806,550 by issuing 1,193,994,832 new ordinary shares at a par value of Baht 1.00 per share. The new ordinary shares will be offered to the existing shareholders on a rights offering basis and on a private placement basis, to accommodate the conversion of the newly issued convertible debentures.
- c) To issue and offer the Company's newly issued convertible debentures of not exceeding Baht 1,000,000,000 to investors on a private placement basis.
- d) To allocate the newly issued ordinary shares not greater than 1,193,994,832 shares as detailed below:
  1. The number of newly issued ordinary shares not greater than 434,258,895 shares to be offered to existing shareholders (Rights Offering).
  2. The number of newly issued ordinary shares not greater than 217,129,447 shares to be offered in a single tranche or multiple tranches for offering from time to time to investors on a private placement basis.
  3. The number of newly issued ordinary shares not greater than 542,606,490 shares to be reserved for the conversion of the newly issued convertible debentures.

Subsequently, on 3 November 2021, the Board of Directors' Meeting of the Company passed a resolution approving the offering of 81,300,813 new ordinary shares to investors on a private placement basis at a price of Baht 1.23 each. The Company received payment for the newly issued shares of Baht 100 million on 4 November 2021. The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce from Baht 2,171,294,479 to 2,252,595,292 (2,252,595,292 ordinary shares at a par value of Baht 1 each) on 5 November 2021.

In December 2021, convertible debenture holders exercised their conversion rights, which increased the issued and paid-up capital to Baht 2,302,750,962 (2,302,750,962 ordinary shares at par value of Baht 1 each). The Company then registered the capital increase with the Ministry of Commerce.

## 25. Warrants to purchase ordinary shares

Details of warrants as at 31 December 2021 are as follows:

|  | <u>Warrants No.6 (JCK-W6)</u>  |
|--|--|
| Issued date                                | 12 November 2020   |
| No. of warrants granted (Units)            | 1,073,369,142  |
| Life of warrants                           | 2 years from the issue date<br>(Expired: 11 November 2022)                                       |
| Exercisable                                | Last business day of each quarter<br>from the issue date<br>(First Exercise Date: 31 March 2021) |
| Exercise price per 1 ordinary share (Baht) | 2.00   |
| Exercise ratio (warrant to ordinary share) | 1: 1   |

As at 31 December 2021, warrants No.6 (JCK-W6) 1,073,369,142 units are outstanding.

## 26. 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.

## 27. Finance cost

|  | (Unit: Thousand Baht) |                |                      |                |
|--|-----------------------|----------------|----------------------|----------------|
|  | Consolidated          |                | Separate             |                |
|  | financial statements  |                | financial statements |                |
|  | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| Interest expenses on borrowings        | 360,342               | 347,273        | 334,225              | 338,276        |
| Interest expenses on lease liabilities | 41,383                | 38,770         | 39,354               | 37,618         |
| <b>Total</b>                           | <b>401,725</b>        | <b>386,043</b> | <b>373,579</b>       | <b>375,894</b> |

## 28. Expenses by nature

Significant expenses by nature are as follows:

|   | (Unit: Thousand Baht) |             |                      |             |
|---|-----------------------|-------------|----------------------|-------------|
|   | Consolidated          |             | Separate             |             |
|   | financial statements  |             | financial statements |             |
|   | <u>2021</u>           | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Purchase of land, construction in progress and project development cost | 110,515               | 96,336      | 109,505              | 88,163      |
| Changes in project development costs                                    | 65,119                | (33,115)    | 18,550               | (64,631)    |
| Salaries and wages and other employee benefits                          | 53,050                | 60,589      | 27,932               | 33,912      |
| Depreciation and amortisation expenses                                  | 119,784               | 118,996     | 28,406               | 28,437      |
| Director and management benefits  | 59,335                | 53,503      | 53,324               | 45,483      |

## 29. Income tax

Income tax expenses (benefit) for the years ended 31 December 2021 and 2020 are made up as follows:

|   | (Unit: Thousand Baht) |                 |                      |                |
|---|-----------------------|-----------------|----------------------|----------------|
|   | Consolidated          |                 | Separate             |                |
|   | financial statements  |                 | financial statements |                |
|   | <u>2021</u>           | <u>2020</u>     | <u>2021</u>          | <u>2020</u>    |
| <b>Current income tax:</b>                                      |                       |                 |                      |                |
| Current income tax charge                                       | 7,804                 | 10,456          | -                    | -              |
| <b>Deferred tax:</b>  |                       |                 |                      |                |
| Relating to origination and reversal of temporary differences   | 32,209                | (26,823)        | (12,643)             | (7,033)        |
| <b>Income tax expenses (benefit) reported in profit or loss</b> | <b>47,013</b>         | <b>(16,367)</b> | <b>(12,643)</b>      | <b>(7,033)</b> |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

|   | (Unit: Thousand Baht) |                |                      |                |
|---|-----------------------|----------------|----------------------|----------------|
|   | Consolidated          |                | Separate             |                |
|   | financial statements  |                | financial statements |                |
|   | <u>2021</u>           | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| Deferred tax relating to profit (loss) on measured in fair value through other comprehensive income ("FVOCI") | 2,072                 | (5,353)        | 2,072                | (5,353)        |
| Total   | <u>2,072</u>          | <u>(5,353)</u> | <u>2,072</u>         | <u>(5,353)</u> |

The reconciliation between accounting loss and income tax is shown below.

|   | (Unit: Thousand Baht) |                  |                      |                  |
|---|-----------------------|------------------|----------------------|------------------|
|   | Consolidated          |                  | Separate             |                  |
|   | financial statements  |                  | financial statements |                  |
|   | <u>2021</u>           | <u>2020</u>      | <u>2021</u>          | <u>2020</u>      |
| Accounting loss before income tax   | <u>(165,506)</u>      | <u>(306,318)</u> | <u>(348,918)</u>     | <u>(427,657)</u> |
| Applicable tax rate   | 20%                   | 20%              | 20%                  | 20%              |
| Income tax at Thai corporate income tax rate of 20%                           | (33,101)              | (61,264)         | (69,784)             | (85,531)         |
| Share of profit from investments in joint venture                             | (36,388)              | (28,695)         | -                    | -                |
| Effect of elimination entries on the consolidated financial statements        | 4,247                 | 12,599           | -                    | -                |
| Unrecognised deferred tax assets on unused tax loss                           | 49,156                | 74,259           | 48,065               | 71,871           |
| Utilisation of unused tax loss previously unrecognised deferred tax assets    | -                     | (13,997)         | -                    | (2,000)          |
| Write-off deferred income tax assets on uncertainty of tax loss carry forward | 63,117                | -                | -                    | -                |
| Effects of:   |                       |                  |                      |                  |
| Income which exempt for income tax  | (4,823)               | (2,059)          | (4,662)              | (2,059)          |
| Non-deductible expenses   | 5,780                 | 3,857            | 13,738               | 10,777           |
| Additional expense deductions allowed   | (975)                 | (1,067)          | -                    | (91)             |
| Total   | <u>(18)</u>           | <u>731</u>       | <u>9,076</u>         | <u>8,627</u>     |
| Income tax expenses (benefit) reported in profit or loss                      | <u>47,013</u>         | <u>(16,367)</u>  | <u>(12,643)</u>      | <u>(7,033)</u>   |



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 |                |
|   | <u>2021</u>                      | <u>2020</u>    | <u>2021</u>          | <u>2020</u>    |
| <b>Deferred tax assets</b>                        |                                  |                |                      |                |
| Allowance for expected credit losses              | 4,375                            | 3,762          | 1,035                | 1,441          |
| Allowance for impairment on investment properties | 384                              | 384            | -                    | -              |
| Unrealised gain                                   | 30,241                           | 30,241         | -                    | -              |
| Unrealised loss on changes in value of other      |                                  |                |                      |                |
| current financial assets - investment in equity   | 119                              | 376            | 119                  | 376            |
| Unrealised loss on changes in fair value of       |                                  |                |                      |                |
| investment  | 2,970                            | 5,042          | 2,970                | 5,042          |
| Difference in depreciation amount between tax     |                                  |                |                      |                |
| base and accounting base                          | 16,309                           | 4,586          | 17,542               | 4,058          |
| Unused tax loss                                   | 116,400                          | 173,600        | 100,800              | 100,800        |
| Provision for long-term employee benefits         | 7,661                            | 6,370          | 5,563                | 4,485          |
| Project development costs                         | 27,575                           | 29,102         | 27,575               | 29,102         |
| Others  | 607                              | 603            | -                    | -              |
| <b>Total</b>                                      | <b>206,641</b>                   | <b>254,066</b> | <b>155,874</b>       | <b>145,304</b> |
| <b>Deferred tax liabilities</b>                   |                                  |                |                      |                |
| Prepaid Commission expense                        | -                                | 4,650          | -                    | -              |
| Others  | 1,060                            | 2,554          | -                    | -              |
| <b>Total</b>                                      | <b>1,060</b>                     | <b>7,204</b>   | <b>-</b>             | <b>-</b>       |
| <b>Deferred tax assets - net</b>                  | <b>205,581</b>                   | <b>246,862</b> | <b>155,874</b>       | <b>145,304</b> |

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 1,548 million (Separate financial statements: Baht 1,139 million) (2020: Baht 1,168 million (Separate financial statements: Baht 1,100 million)), on which deferred tax assets have not been recognised as the Group believes that their future taxable profits may not be sufficient to allow utilisation of the temporary difference and unused tax losses.

The unused tax losses amounting to Baht 1,452 million (Separate financial statements: Baht 1,042 million) will expire by 2026.

### 30. Earnings per share

Basic earnings (loss) 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.

Diluted earnings (loss) 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

No diluted earnings (loss) per share has been presented because an exercise price of the 6<sup>th</sup> series of warrant (JCK-W6) to purchase the ordinary shares of the Company was higher than the average market price of the Company's shares for the year ended 31 December 2021 and 2020.

The following table sets forth the computation of basic earnings (loss) per share:

| Consolidated financial statements                     |                    |   |                      |                |             |
|---|--------------------|---|----------------------|----------------|-------------|
| For the year ended 31 December                        |                    |   |                      |                |             |
| Loss  |                    | Weighted average<br>number of ordinary shares |                      | Loss per share |             |
| <u>2021</u>   | <u>2020</u>        | <u>2021</u>                                   | <u>2020</u>          | <u>2021</u>    | <u>2020</u> |
| (Thousand<br>Baht)                                    | (Thousand<br>Baht) | (Thousand<br>shares)                          | (Thousand<br>shares) | (Baht)         | (Baht)      |
| <b>Basic earnings per share</b>                       |                    |   |                      |                |             |
| Loss attributable to equity holders<br>of the Company |                    |   |                      |                |             |
| (224,514)   | (309,455)          | 2,173,250                                     | 2,147,034            | (0.1033)       | (0.1441)    |
| Separate financial statements                         |                    |   |                      |                |             |
| For the year ended 31 December                        |                    |   |                      |                |             |
| Loss  |                    | Weighted average<br>number of ordinary shares |                      | Loss per share |             |
| <u>2021</u>   | <u>2020</u>        | <u>2021</u>                                   | <u>2020</u>          | <u>2021</u>    | <u>2020</u> |
| (Thousand<br>Baht)                                    | (Thousand<br>Baht) | (Thousand<br>shares)                          | (Thousand<br>shares) | (Baht)         | (Baht)      |
| <b>Basic earnings per share</b>                       |                    |   |                      |                |             |
| Loss attributable to equity holders<br>of the Company |                    |   |                      |                |             |
| (336,275)   | (420,625)          | 2,173,250                                     | 2,147,034            | (0.1547)       | (0.1959)    |

### 31. 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. The chief operating decision maker has been identified as the Executive Chairman of the group.

For management purposes, the Group has five reportable segments as follows:

- (1) Land and factory building for sale segment concerns purchase of land to develop and to construct a factory as well as utilities with an objective to sell the empty developed land and the land with factory thereon.
- (2) Land and warehouse building for rent segment concerns purchase or long-term lease of land for development and construction of warehouse building as well as utilities with an objective to rent out the land with warehouse building thereon.
- (3) Office building for rent segment concerns long-term lease of land for development and construction of office with an objective to rent out office space and provide services.
- (4) Residential condominium units for sale segment concerns construction of residential condominium in city center and suburban area for sale to general people.
- (5) REIT manager segment. (At now, there is no trading activity of REIT manager segment therefore REIT manager segment information hasn't been presented).

No operating segments have been aggregated to from the above reportable operating segments of the Group.

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 on a basis consistent with that used to measure operating profit or loss in the financial statements.

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

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the year ended 31 December 2021 and 2020.

(Unit: Million Baht)

## For the year ended 31 December

|   | Land and factory building for sale <sup>(1)</sup> |      | Land and warehouse building for rent <sup>(2)</sup> |      | Office building for lease <sup>(3)</sup> |      | Residential condominium units for sale <sup>(4)</sup> |      | Adjusting and Eliminations |      | Consolidation |       |
|---|---|------|---|------|--|------|---|------|----------------------------|------|---------------|-------|
|   | 2021  | 2020 | 2021  | 2020 | 2021                                     | 2020 | 2021  | 2020 | 2021                       | 2020 | 2021          | 2020  |
| Revenue   |   |      |   |      |  |      |   |      |                            |      |               |       |
| External customers  | 214   | 88   | 93  | 83   | 158                                      | 175  | 45  | 43   | (2)                        | (2)  | 508           | 387   |
| Segment profit  | 78  | 27   | 52  | 40   | 40                                       | 57   | 4   | 3    | 5                          | 7    | 179           | 134   |
| Gain on sales of investment properties                            | -   | -    | 7   | -    | -  | -    | -   | -    | 1                          | -    | 8             | -     |
| Revenue and expense did not allocate:                             |   |      |   |      |  |      |   |      |                            |      |               |       |
| Interest income   |   |      |   |      |  |      |   |      |                            |      | 4             | 6     |
| Other revenue   |   |      |   |      |  |      |   |      |                            |      | 53            | 22    |
| Selling expenses  |   |      |   |      |  |      |   |      |                            |      | (52)          | (27)  |
| Administrative expenses   |   |      |   |      |  |      |   |      |                            |      | (194)         | (198) |
| Share of gain from investment in joint venture                    |   |      |   |      |  |      |   |      |                            |      | 238           | 143   |
| Finance cost  |   |      |   |      |  |      |   |      |                            |      | (402)         | (386) |
| Income tax (expenses) benefit                                     |   |      |   |      |  |      |   |      |                            |      | (47)          | 16    |
| Loss for the year   |   |      |   |      |  |      |   |      |                            |      | (213)         | (290) |
| Profit attributable to non-controlling interest of the subsidiary |   |      |   |      |  |      |   |      |                            |      | (12)          | (19)  |
| Loss for the year (Equity holders of the Company)                 |   |      |   |      |  |      |   |      |                            |      | (225)         | (309) |

## Geographic information

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

## Major customers

For the year 2021, the Group has revenue from 2 major customers in amount of Baht 214 million, arising from land and factory building for sale and condominium units segment (2020: revenue from 2 major customers in amount of Baht 105 million, arising from residential condominium units for sale segment and factory building).

## 32. Provident fund

The Group and their employees have jointly established a provident fund in accordance with Provident Fund Act B.E. 2530. The Group and their employees contributed to the fund monthly at the rates of 5 to 10 percent of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2021 amounting to approximately Baht 3 million (2020: Baht 3 million) (Separate financial statements: Baht 2 million, (2020: Baht 2 million)) were recognised as expenses.

## 33. Commitments and contingent liabilities

### 33.1 Capital commitments

33.1.1 The Group have commitments in respect of agreements to design, improve and construct a residential condominium for sale and office building for lease were approximately Baht 77 million (Separate financial statements: Baht 77 million) (2020: Baht 78 million (Separate financial statements: Baht 78 million)).

33.1.2 The Company has commitments under the following agreements in respect of TFD Industrial Estate project and other projects as follows:

|  | (Unit: Million Baht) |             |                      |             |
|--|----------------------|-------------|----------------------|-------------|
|  | Consolidated         |             | Separate             |             |
|  | financial statements |             | financial statements |             |
|  | <u>2021</u>          | <u>2020</u> | <u>2021</u>          | <u>2020</u> |
| Agreement to buy condominium units                   | -                    | 23          | -                    | 23          |
| Agreement to construct building and utilities system | 174                  | 179         | 174                  | 164         |
| Agreement to buy land for project development        | 281                  | 278         | 281                  | 278         |
| Total  | <u>455</u>           | <u>480</u>  | <u>455</u>           | <u>465</u>  |

33.1.3 On 9 June 2021, the Company entered into an agreement to purchase real estate development project with unrelated companies, with the total value of Baht 265 million, whereby the ownership must be transferred within one year from the agreement date. The Company paid the deposit of Baht 93 million and settle in promissory note Baht 45 million.

Subsequently, on 28 October 2021, the Company entered into a joint operation agreement with unrelated business group. The real estate development project mentioned above is deemed to be an asset under the joint operation, whereby the seller and the buyer agree to terminate the purchase agreement, effective from the date of the joint operation agreement. The payment of Baht 138 million made in cash and promissory notes issued by the buyer is deemed the first installment payment under the joint operation agreement. The Company agreed to pay compensation of Baht 336 million.

As at 31 December 2021, the Company paid Baht 203 million and had a promissory note of Baht 35 million. The outstanding balance of Baht 98 million must be fully paid within 3 years.

### 33.2 Long-term service commitments

33.2.1 The Company had commitments in respect of an agreement to develop TFD Industrial Estate project in collaboration with the Industrial Estate Authority of Thailand. The Company has to pay an annual fee for supervision of services rendered within the area of the project of approximately Baht 1 million, commencing in 2009. Such fee may be increased by no more than 10% on the existing fee every 3 years.

33.2.2 The Group has commitments under service agreement as follows:

|                   | (Unit: Million Baht)              |             |                               |             |
|-------------------|-----------------------------------|-------------|-------------------------------|-------------|
|                   | Consolidated financial statements |             | Separate financial statements |             |
|                   | <u>2021</u>                       | <u>2020</u> | <u>2021</u>                   | <u>2020</u> |
| Payable:          |                                   |             |                               |             |
| Up to 1 year      | 14                                | 15          | 4                             | 4           |
| From 1 to 5 years | 1                                 | -           | -                             | -           |
| Total             | 15                                | 15          | 4                             | 4           |

### 33.3 Guarantees

33.3.1 As at 31 December 2021, the Company has provided guarantees for bank loan and credit facilities of subsidiaries totaling Baht 425 million (31 December 2021: Nil).

33.3.2 There were outstanding bank guarantees issued by the banks on behalf of the Group as follows:

| Letter of guarantee  | (Unit: Million Baht) |      |                      |      |
|--|----------------------|------|----------------------|------|
|  | Consolidated         |      | Separate             |      |
|  | financial statements |      | financial statements |      |
|  | 2021                 | 2020 | 2021                 | 2020 |
| To guarantee performance under the agreement to develop TFD Industrial Estate project with the Industrial Estate Authority of Thailand   | 10                   | 10   | 10                   | 10   |
| To guarantee performance for the construction of public utility and infrastructure for TFD Industrial Estate Phase II project with the Industrial Estate Authority of Thailand | 207                  | 207  | 207                  | 207  |
| To guarantee relating to the electricity use and others  | 22                   | 22   | 13                   | 13   |
| Total  | 239                  | 239  | 230                  | 230  |

33.3.3 As at 31 December 2020, the Company and its subsidiary (Crown Development Company Limited) have guaranteed loan and bank credit facilities of joint venture (BGY & TFD Properties Company Limited) based on its percentage of investment at 51% of loan facility and credit facilities or amounting to Baht 1,365 million (31 December 2021: Nil).

### 33.4 Litigations

- a) The injured parties sued government units and related persons with respect to issuance of building construction permit and approval of the Environmental Impact Assessment (EIA) for the leased land of the Company's project, demanding of both the suspension of construction project and the revocation of the EIA approval.

On 14 September 2017, the Central Administrative Court had ordered to revoke the Environmental Impact Assessment (EIA) of the Company's project. However, the Company appealed against the order of the Central Administrative Court on 5 October 2017. The case is currently pending the appeal in the Supreme Administrative Court.

On 26 September 2019, the Central Administrative Court rendered its judgment revoking the building construction permit of the Company's project which was effective retroactively on the permit date. However, the Company filed an appeal with the Supreme Administrative Court against the judgment of the Central Administrative Court on 24 October 2019. The case is currently pending the decision of the Supreme Administrative Court.

As at 31 December 2021, the project is under construction suspension. However, the Company's management believes that there will be no damage to the value of the Company's project. The Company therefore did not record any allowance for diminution in the value of the project as at the end of the reporting period.

- b) On 4 February 2022, JCK Utilities Company Limited ("Subsidiary") was sued for refunds and claims for damages by a business partner of an unrelated company, who made joint payment for settlement of the agreement to purchase land and factory building with the subsidiary. The claim was made for the refund amounting to Baht 23.5 million, together with interest of Baht 1 million, totaling Baht 24.5 million. The management of the subsidiary believes that such claim will have not a significantly impacting on the subsidiary.

### **33.5 Contingent liabilities**

- a) JCK Utilities Company Limited ("the subsidiary") has contingent liabilities in respect of the compensation payable to MFC Industrial Investment Property and Leasehold Fund ("the Fund"), in the event that the land of the Kingkaew Project has been announced to be expropriated by the Department of Rural Roads in late 2014, in accordance with the conditions of agreement made between the subsidiary and the Fund. The maximum amount that the subsidiary may have to pay to the Fund is approximately Baht 24 million, calculated based on the rate specified in the agreement. The Group's management have used judgement to estimate the losses in this event and believes that the Fund would not suffer any losses in the event that the land is expropriated and the subsidiary will not have to pay any compensation to the Fund. The subsidiary therefore did not record any contingent liabilities in respect of this matter. therefore did not record any contingent liabilities in respect of this matter.
- b) In 2017, Crown Development Co., Ltd. ("the subsidiary") received notification of tax assessment included tax penalty totaling Baht 31.5 million from the Revenue Department as a result of a tax audit covering the tax year 2011, relating to specific business tax. The subsidiary has subsequently submitted an appeal of the assessment to Tax Appeals Committee. In February 2019, the Company mortgaged its land with the Revenue Department as collateral to guarantee any tax liabilities of the subsidiary that may incur. In June 2019, the Tax Appeals Committee dismissed the appeal.



In November 2019, the subsidiary filed a lawsuit with the Central Tax Court in order to request the Court to withdraw the tax assessment. On 30 November 2020, the Central Tax Court ordered revocation of the specific business tax assessment notice. Subsequently, the Revenue Department lodged an appeal against the judgment of the Central Tax Court with the Court of Appeal for Specialized Cases.

On 15 December 2021, the Court of Appeal for Specialized Cases upheld the Revenue Department's appeal and ordered the Central Tax Court to deliberate the remaining disputes and render a new judgment. On 22 February 2022, the subsidiary then filed a petition for an appeal with the Supreme Court. On 28 February 2022, the Central Tax Court ordered revocation of the specific business tax assessment notice.

- c) During the current year, Crown Development Co., Ltd. ("the subsidiary") received a notification regarding 2010 corporate income tax assessment with tax penalty and surcharge totaling Baht 789 million. Because the tax authority had assessed the tax based on the movements of cash flows presented in the bank statement of the subsidiary. On 18 June 2021, the subsidiary therefore submitted an appeal against the assessment to the Tax Appeals Committee. The appeal is currently under consideration of the Committee.

The management and the legal advisor believe that the subsidiary will be able to provide substantial evidence to support the appeal. In this regard, no provision for tax liability has been set aside as at the end of the reporting period.

### 34. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or disclose fair value using different levels of inputs as follows:

| (Unit: Million Baht)  |         |         |         |       |
|---|---------|---------|---------|-------|
| As at 31 December 2021  |         |         |         |       |
| Consolidated Financial Statements   |         |         |         |       |
|   | Level 1 | Level 2 | Level 3 | Total |
| <b>Assets measured at fair value</b>  |         |         |         |       |
| Investments in equity are stated at fair value through profit or loss             | 2       | -       | -       | 2     |
| Investments in equity are stated at fair value through other comprehensive income | 134     | -       | -       | 134   |
| <b>Assets for which fair value are disclosed</b>                                  |         |         |         |       |
| Investment properties   | -       | -       | 1,213   | 1,213 |
| <b>Liabilities for which fair value are disclosed</b>                             |         |         |         |       |
| Debentures  | -       | 3,514   | -       | 3,514 |

(Unit: Million Baht)

As at 31 December 2021

| Separate Financial Statements   |         |         |         |       |
|---|---------|---------|---------|-------|
|   | Level 1 | Level 2 | Level 3 | Total |
| <b>Assets measured at fair value</b>  |         |         |         |       |
| Investments in equity are stated at fair value through profit or loss             | 2       | -       | -       | 2     |
| Investments in equity are stated at fair value through other comprehensive income | 134     | -       | -       | 134   |
| <b>Assets for which fair value are disclosed</b>                                  |         |         |         |       |
| Investment properties   | -       | -       | 13      | 13    |
| <b>Liabilities for which fair value are disclosed</b>                             |         |         |         |       |
| Debentures  | -       | 3,514   | -       | 3,514 |

(Unit: Million Baht)

As at 31 December 2020

| Consolidated Financial Statements   |         |         |         |       |
|---|---------|---------|---------|-------|
|   | Level 1 | Level 2 | Level 3 | Total |
| <b>Assets measured at fair value</b>  |         |         |         |       |
| Investments in equity are stated at fair value through profit or loss             | 1       | -       | -       | 1     |
| Investments in equity are stated at fair value through other comprehensive income | 123     | -       | -       | 123   |
| <b>Assets for which fair value are disclosed</b>                                  |         |         |         |       |
| Investment properties   | -       | -       | 1,131   | 1,131 |
| <b>Liabilities for which fair value are disclosed</b>                             |         |         |         |       |
| Debentures  | -       | 3,741   | -       | 3,741 |

(Unit: Million Baht)

As at 31 December 2020

| Separate Financial Statements   |         |         |         |       |
|---|---------|---------|---------|-------|
|   | Level 1 | Level 2 | Level 3 | Total |
| <b>Assets measured at fair value</b>  |         |         |         |       |
| Investments in equity are stated at fair value through profit or loss             | 1       | -       | -       | 1     |
| Investments in equity are stated at fair value through other comprehensive income | 123     | -       | -       | 123   |
| <b>Liabilities for which fair value are disclosed</b>                             |         |         |         |       |
| Debentures  | -       | 3,741   | -       | 3,741 |

## **35. Financial instruments**

### **35.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other accounts receivable, loans, investments, short-term and trade and other payables, bank overdrafts and short-term loans, liabilities under finance lease and hire-purchase agreements, debentures, and long-term loans. 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 and other accounts receivable, loans, deposits with banks. The Group's maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade receivables, other receivables and loans***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

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. 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.

#### ***Cash deposits***

The Group manages the credit risk from balances with banks by making investments only with approved counterparties. 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**

There are two types of Market risk comprises interest rate risk and currency rate risk.

#### ***Interest rate risk***

The Company's exposure to interest rate risk relates primarily to its loans and short-term loans, lease liabilities, debentures, and long-term loans borrowings. However, since most of the Company's and its subsidiaries financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2021 and 2020, 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 statement as at 31 December 2021 |                      |              |                           |                          |       |                                  |
|---|----------------------|--------------|---------------------------|--------------------------|-------|----------------------------------|
|   | Fixed interest rates |              |                           |                          | Total | Interest rate<br>(% per annum)   |
|   | Within<br>1 year     | 1-5<br>years | Floating<br>interest rate | Non- interest<br>bearing |       |                                  |
| <b>Financial Assets</b>                                 |                      |              |                           |                          |       |                                  |
| Cash and cash equivalent                                | -                    | -            | 75                        | 1                        | 76    | 0.125 - 0.25                     |
| Other current financial assets                          | -                    | -            | -                         | 2                        | 2     | -                                |
| Trade and other receivables                             | -                    | -            | -                         | 146                      | 146   | -                                |
| Loans to related parties and interest<br>receivable     | -                    | -            | -                         | 7                        | 7     | -                                |
| Restricted bank deposits                                | -                    | 31           | -                         | -                        | 31    | 0.10 - 0.30                      |
| Other non-current financial assets                      | -                    | -            | -                         | 134                      | 134   | -                                |
|   | -                    | 31           | 75                        | 290                      | 396   |                                  |
| <b>Financial liabilities</b>                            |                      |              |                           |                          |       |                                  |
| Bank overdrafts and short-term loans                    | 338                  | -            | 60                        | 7                        | 405   | 3.75 - 10.00, MOR,<br>MLR        |
| Trade and other payables                                | -                    | -            | -                         | 241                      | 241   | -                                |
| Loans from related parties and interest<br>payable      | 173                  | -            | -                         | 5                        | 178   | 6.00                             |
| Debentures  | 731                  | 2,769        | -                         | -                        | 3,500 | 7.00 - 7.25                      |
| Long - term loans                                       | 110                  | 275          | 927                       | -                        | 1,312 | 6.75 - 12.00, MLR,<br>MLR - 1.25 |
| Lease liabilities                                       | 90                   | 625          | -                         | -                        | 715   | 5.44 - 10.07                     |
|   | 1,442                | 3,669        | 987                       | 253                      | 6,351 |                                  |

(Unit: Million Baht)

## Separate financial statement as at 31 December 2021

|  | Fixed interest rates |       |               |               |       |                        |
|--|----------------------|-------|---------------|---------------|-------|------------------------|
|  | Within               | 1-5   | Floating      | Non- interest |       |                        |
|  | 1 year               | years | interest rate | bearing       | Total | Interest rate          |
|  |                      |       |               |               |       | (% per annum)          |
| <u>Financial Assets</u>                          |                      |       |               |               |       |                        |
| Cash and cash equivalent                         | -                    | -     | 22            | -             | 22    | 0.125 - 0.25           |
| Other current financial assets                   | -                    | -     | -             | 2             | 2     | -                      |
| Trade and other receivables                      | -                    | -     | -             | 130           | 130   | -                      |
| Loans to related parties and interest receivable | 731                  | -     | -             | 342           | 1,073 | 5.25 - 9.975           |
| Restricted bank deposits                         | -                    | 29    | -             | -             | 29    | 0.10 - 0.30            |
| Other non-current financial assets               | -                    | -     | -             | 134           | 134   | -                      |
|  | 731                  | 29    | 22            | 608           | 1,390 |                        |
| <u>Financial liabilities</u>                     |                      |       |               |               |       |                        |
| Bank overdrafts and short-term loans             | 308                  | -     | 60            | 7             | 375   | 7.00 - 10.00, MOR, MLR |
| Trade and other payables                         | -                    | -     | -             | 228           | 228   | -                      |
| Loans from related parties and interest payable  | 100                  | -     | 129           | 21            | 250   | MLR, 6.00              |
| Debentures                                       | 731                  | 2,769 | -             | -             | 3,501 | 7.00 - 7.25            |
| Long-term loans                                  | 40                   | 30    | 881           | -             | 951   | 6.75 - 6.80, MLR       |
| Lease liabilities                                | 42                   | 548   | -             | -             | 590   | 5.53 - 8.83            |
|  | 1,221                | 3,347 | 1,070         | 256           | 5,894 |                        |

(Unit: Million Baht)

## Consolidated financial statement as at 31 December 2020

|   | Fixed interest rates |              |                           |                          | Total        | Interest rate<br>(% per annum)  |
|---|----------------------|--------------|---------------------------|--------------------------|--------------|---------------------------------|
|   | Within<br>1 year     | 1-5<br>years | Floating<br>interest rate | Non- interest<br>bearing |              |                                 |
| <b>Financial Assets</b>                             |                      |              |                           |                          |              |                                 |
| Cash and cash equivalent                            | -                    | -            | 14                        | 1                        | 15           | 0.125 - 0.25                    |
| Other current financial assets                      | -                    | -            | -                         | 1                        | 1            | -                               |
| Trade and other receivables                         | -                    | -            | -                         | 146                      | 146          | -                               |
| Loans to related parties and interest<br>receivable | 7                    | -            | -                         | -                        | 7            | 5.00                            |
| Restricted bank deposits                            | -                    | 31           | -                         | -                        | 31           | 0.10 - 1.85                     |
| Other non-current financial assets                  | -                    | -            | -                         | 123                      | 123          | -                               |
|   | <u>7</u>             | <u>31</u>    | <u>14</u>                 | <u>271</u>               | <u>323</u>   |                                 |
| <b>Financial liabilities</b>                        |                      |              |                           |                          |              |                                 |
| Bank overdrafts and short-term loans                | 348                  | -            | 64                        | -                        | 412          | 5.50 - 9.50, MOR,<br>MLR        |
| Trade and other payables                            | -                    | -            | -                         | 219                      | 219          | -                               |
| Loans from related parties and interest<br>payable  | 53                   | 5            | -                         | -                        | 58           | 15.00                           |
| Debentures  | 2,119                | 1,489        | -                         | -                        | 3,608        | 6.75 - 7.25                     |
| Long - term loans                                   | 9                    | 77           | 1,105                     | -                        | 1,191        | 6.75 - 7.45, MLR,<br>MLR - 0.50 |
| Lease liabilities                                   | 36                   | 532          | -                         | -                        | 568          | 5.53 - 8.83                     |
|   | <u>2,565</u>         | <u>2,103</u> | <u>1,169</u>              | <u>219</u>               | <u>6,056</u> |                                 |

(Unit: Million Baht)

## Separate financial statement as at 31 December 2020

|  | Fixed interest rates |       |               |               |       |                       |
|--|----------------------|-------|---------------|---------------|-------|-----------------------|
|  | Within               | 1-5   | Floating      | Non- interest |       |                       |
|  | 1 year               | years | interest rate | bearing       | Total | Interest rate         |
|  |                      |       |               |               |       | (% per annum)         |
| <u>Financial Assets</u>                          |                      |       |               |               |       |                       |
| Cash and cash equivalent                         | -                    | -     | 3             | -             | 3     | 0.125 - 0.25          |
| Other current financial assets                   | -                    | -     | -             | 1             | 1     | -                     |
| Trade and other receivables                      | -                    | -     | -             | 124           | 124   | -                     |
| Loans to related parties and interest receivable | 1,007                | 288   | -             | -             | 1,295 | 5.25 - 9.975          |
| Restricted bank deposits                         | -                    | 29    | -             | -             | 29    | 0.10 - 1.85           |
| Other non-current financial assets               | -                    | -     | -             | 123           | 123   | -                     |
|  | 1,007                | 317   | 3             | 248           | 1,575 |                       |
| <u>Financial liabilities</u>                     |                      |       |               |               |       |                       |
| Bank overdrafts and short-term loans             | 313                  | -     | 59            | -             | 372   | 5.50 - 9.50, MOR, MLR |
| Trade and other payables                         | -                    | -     | -             | 202           | 202   | -                     |
| Loans from related parties and interest payable  | -                    | -     | 234           | -             | 234   | MLR                   |
| Debentures                                       | 2,119                | 1,489 | -             | -             | 3,608 | 6.75 - 7.25           |
| Long-term loans                                  | 35                   | 40    | 982           | -             | 1,057 | 6.75 - 6.80, MLR      |
| Lease liabilities                                | 27                   | 523   | -             | -             | 550   | 5.53 - 8.83           |
|  | 2,494                | 2,052 | 1,275         | 202           | 6,023 |                       |

### Interest rate sensitivity

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 loan from financial institution and loans from related party affected as at 31 December 2021 and 2020.

| 2021                  |                                |                       |                                | 2020                  |                                |                       |                                |
|-----------------------|--------------------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|-----------------------|--------------------------------|
| Consolidated          |                                | Separate              |                                | Consolidated          |                                | Separate              |                                |
| financial statement   |                                | financial statement   |                                | financial statement   |                                | financial statement   |                                |
| Increase/<br>decrease | Effect on profit<br>before tax | Increase/<br>decrease | Effect on profit<br>before tax | Increase/<br>decrease | Effect on profit<br>before tax | Increase/<br>decrease | Effect on profit<br>before tax |
| (%)                   | (Thousand Baht)                | (%)                   | (Thousand Baht)                | (%)                   | (Thousand Baht)                | (%)                   | (Thousand Baht)                |
| +1.0                  | (11,169)                       | +1.0                  | (10,706)                       | +1.0                  | (13,207)                       | +1.0                  | (12,328)                       |
| -1.0                  | 11,169                         | -1.0                  | 10,706                         | -1.0                  | 13,207                         | -1.0                  | 12,328                         |

The above analysis has been prepared assuming that the amounts of the floating rate loans to and loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans to and loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/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.

### **Foreign currency risk**

The Company's exposure to foreign currency risk is limited since nearly all business transactions are denominated in Thai Baht.

### **Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, loans, debenture and lease contracts. Approximately 36% of the Group's debt will mature in less than one year at 31 December 2021 (2020: 44%) (the Company only: 37%, 2020: 45%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded that the Group has access to sources of funding and debt maturing within 12 months can be rolled over with existing lenders.



The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

| Consolidated financial statements                           |                |                  |                  |                  |                  |
|---|----------------|------------------|------------------|------------------|------------------|
| As at 31 December 2021                                      |                |                  |                  |                  |                  |
|   | On demand      | Less than 1 year | 1 to 5 years     | > 5 years        | Total            |
| Bank overdraft and short-term loans                         |                |                  |                  |                  |                  |
| from financial institutions                                 | -              | 409,274          | -                | -                | 409,274          |
| Trade and other payables                                    | -              | 195,329          | -                | -                | 195,329          |
| Short-term loans from related party and interest receivable | 177,553        | -                | -                | -                | 177,553          |
| Debentures  | -              | 940,889          | 2,880,504        | -                | 3,821,393        |
| Long-term loans   | -              | 1,075,152        | 370,326          | -                | 1,445,478        |
| Lease liabilities   | -              | 98,543           | 377,895          | 1,657,662        | 2,134,100        |
| Long-term loans from related party                          | -              | 724              | -                | -                | 724              |
| <b>Total</b>  | <b>177,553</b> | <b>2,719,911</b> | <b>3,628,725</b> | <b>1,657,662</b> | <b>8,183,851</b> |

(Unit: Thousand Baht)

| Consolidated financial statements                           |              |                  |                  |                  |                  |
|---|--------------|------------------|------------------|------------------|------------------|
| As at 31 December 2020                                      |              |                  |                  |                  |                  |
|   | On demand    | Less than 1 year | 1 to 5 years     | > 5 years        | Total            |
| Bank overdraft and short-term loans                         |              |                  |                  |                  |                  |
| from financial institutions                                 | -            | 415,717          | -                | -                | 415,717          |
| Trade and other payables                                    | -            | 154,343          | -                | -                | 154,343          |
| Short-term loans from related party and interest receivable | 8,003        | -                | -                | -                | 8,003            |
| Debentures  | -            | 2,215,315        | 1,614,301        | -                | 3,829,616        |
| Long-term loans   | -            | 531,235          | 780,441          | -                | 1,311,676        |
| Lease liabilities   | -            | 36,636           | 267,027          | 1,611,316        | 1,914,979        |
| Long-term loans from related party                          | -            | 45,000           | 4,724            | -                | 49,724           |
| <b>Total</b>  | <b>8,003</b> | <b>3,398,246</b> | <b>2,666,493</b> | <b>1,611,316</b> | <b>7,684,058</b> |

(Unit: Thousand Baht)

|   | Separate financial statements |                  |                  |                  |                  |
|---|-------------------------------|------------------|------------------|------------------|------------------|
|   | As at 31 December 2021        |                  |                  |                  |                  |
|   | On demand                     | Less than 1 year | 1 to 5 years     | > 5 years        | Total            |
| Bank overdraft and short-term loans     |                               |                  |                  |                  |                  |
| from financial institutions             | -                             | 379,458          | -                | -                | 379,458          |
| Trade and other payables                | -                             | 181,973          | -                | -                | 181,973          |
| Short-term loans from related party and |                               |                  |                  |                  |                  |
| interest receivable                     | 249,776                       | -                | -                | -                | 249,776          |
| Debentures                              | -                             | 940,889          | 2,880,503        | -                | 3,821,392        |
| Long-term loans                         | -                             | 977,653          | 36,678           | -                | 1,014,331        |
| Lease liabilities                       | -                             | 42,338           | 317,074          | 1,537,147        | 1,896,559        |
| <b>Total</b>                            | <b>249,776</b>                | <b>2,522,311</b> | <b>3,234,255</b> | <b>1,537,147</b> | <b>7,543,489</b> |

(Unit: Thousand Baht)

|   | Separate financial statements |                  |                  |                  |                  |
|---|-------------------------------|------------------|------------------|------------------|------------------|
|   | As at 31 December 2020        |                  |                  |                  |                  |
|   | On demand                     | Less than 1 year | 1 to 5 years     | > 5 years        | Total            |
| Bank overdraft and short-term loans     |                               |                  |                  |                  |                  |
| from financial institutions             | -                             | 375,989          | -                | -                | 375,989          |
| Trade and other payables                | -                             | 139,157          | -                | -                | 139,157          |
| Short-term loans from related party and |                               |                  |                  |                  |                  |
| interest receivable                     | 234,147                       | -                | -                | -                | 234,147          |
| Debentures                              | -                             | 2,215,315        | 1,614,301        | -                | 3,829,616        |
| Long-term loans                         | -                             | 478,303          | 687,815          | -                | 1,166,118        |
| Lease liabilities                       | -                             | 27,205           | 257,767          | 1,611,316        | 1,896,288        |
| <b>Total</b>                            | <b>234,147</b>                | <b>3,235,969</b> | <b>2,559,883</b> | <b>1,611,316</b> | <b>7,641,315</b> |

### **35.2 Fair values of financial instruments**

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

During the current year, there were no transfers within the fair value hierarchy.

### **36. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2021, the Group's debt-to-equity ratio was 3.02:1 (2020: 3.01:1) and the Company's was 3.24:1 (2020: 2.84:1).

### **37. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2022.

|                             |
|-----------------------------|
| Certify Correct Information |
|-----------------------------|

The Company has carefully reviewed the information in this annual registration statement (Form 56-1 One Report). The Company certifies that such information is correct, complete and not causing misunderstanding to others or lacking information that should be disclosed in material respects. Moreover, the Company certified that:

(1) The financial statements and financial information summarized in the annual registration statement have accurately and completely information regarding the financial position, performance and cash flows of the Company's and its subsidiaries.

(2) The Company has a good information disclosure system to ensure that the Company has disclosed the Company and its subsidiaries' information that is materiality with correctly and completely as well as to control and supervise the implementation of the system.

(3) The Company has set up a good internal control system and supervise to ensure compliance with the system. The Company has informed the internal control system assessment information as of February 25, 2022 to the Company's Auditor and the Audit Committee. This covers deficiencies and significant changes in the internal control system, including wrongful acts that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the Company has certified. The Company has assigned Mr. Anukul Ubonnuch has signed this document on every page as well. If any document does not have the signature of Mr. Anukul Ubonnuch, the Company will assume that it is not the information that the Company has certified the accuracy of the information mentioned above.

| Name                    | Position   | Signature   |
|-------------------------|--|---|
| Mr. Anukul Ubonnuch     | Director / Executive Director / Managing Director                    |  |
| Mr. Kittawat Taechaubol | Director / Executive Director / Director Deputy<br>Managing Director |  |
| <u>Proxy</u>            |  |   |
| Mr. Anukul Ubonnuch     | Director / Executive Director / Managing Director                    |  |



## Attachment

- |               |   |
|---------------|---|
| -Attachment 1 | Details of Directors, Executives, Controlling Persons and Company Secretary       |
| -Attachment 2 | Details of Directors of Subsidiaries  |
| -Attachment 3 | Details of Head of Internal Audit and Head of the Company's Compliance Department |
| -Attachment 4 | Assets used in Business Operation and Details of Assets Valuation                 |
| -Attachment 5 | Corporate Governance Policy and Practice and Business Conduct                     |
| -Attachment 6 | Report from the Audit Committee   |

## Attachment 1

### Details of Directors, Executives, Controlling Persons and Company Secretary

## Board of Directors and Executives

**Dr. Apichai Taechaubol**

**Chairman**

**Executive Chairman**

**Age : 66 years old**

**Director position in another listed company :**

- ❖ 16 Jan 17 - Present Chairman and Executive Committee Chairman JCK Hospitality Public Company Limited

**Education :**

- ❖ Honorary Degree of Master of Business Administration in Department of General Management Ramkhamhaeng University
- ❖ Master's Degree in Political Science Ramkhamhaeng University
- ❖ Bachelor's Degree in Business Administration North Central University, Arizona, U.S.A.
- ❖ Bachelor's Degree in Political Science Ramkhamhaeng University

**Director position in non-listed company :**

- ❖ 2020 - Present Director Ratchadamri Real Estate Co., Ltd.
- ❖ 2017 - Present Director BGY & TFD Properties Co., Ltd.

**Directors Program Training from IOD :**

- ❖ DAP, Class 39/2005
- ❖ Chairman 2000 Program
- ❖ CGI Class 3/2015

- ❖ 2015 - Present Chairman TFD Real Estate Management Co., Ltd
- ❖ Dec 17 - Present Chairman JCK Utilities Co., Ltd.
- ❖ 2019 - Present Director AP Prime Property Co., Ltd.
- ❖ 2011 - Present Director and Executive Chairman J.C. Kevin Development Co., Ltd.

**Shareholding in the Company (%) :**

- ❖ 17.31% (Holding 375,896,456 shares as of 30 Aug 20)

**Family Relationship with Other Directors and Executives :**

- ❖ Father, Mr. Kittawat Taechaubol

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 14 Mar 18 - Present Director Chairman and Executive Chairman
- ❖ 20 Mar 12 - 14 Mar 18 Director Vice Chairman and Executive Chairman

- ❖ 2004 - Present Director and Executive Chairman JC Kevin Food and Beverage Co., Ltd.
- ❖ 2010 - Present Director Fine Two Asset Co., Ltd.
- ❖ 19 Oct 18 - Present Director High Active Consultant Communication Co., Ltd.

**Working Experience :**

- |  |                         |   |
|--|-------------------------|---|
| ❖ Director - AEC Securities PCL.                                 | ❖ 30 May 16 - Present   | Director<br>Lobster Power Co., Ltd  |
| ❖ Director - Barnsley Warehouse Limited                          | ❖ 15 Oct 15 - Present   | Director<br>Rim Nam Bangpakong Co., Ltd.  |
| ❖ Director - Bognor Regis Warehouse Limited                      | ❖ 16 Aug 18 – 20 Oct 21 | Director<br>Akara Holding Co., Ltd.   |
| ❖ Vice Minister for Office Of Prime Minister                     | ❖ 5 Mar 18 – 1 Feb 22   | Director<br>Akara Hospitality Co., Ltd.<br>(Former name : No Name Food And<br>Beverage Co., Ltd.) |
| ❖ Director to the DASTA  | ❖ 19 Nov 18 – 2020      | Director<br>JCK Ratchada Hotel Co., Ltd.  |
| ❖ Advisor to Deputy Minister of the Internal Affairs<br>Ministry | ❖ 29 Oct 18 – 2020      | Director<br>Citi Vibe Co., Ltd.<br>(Former name : Another Day Dessert<br>Co., Ltd.)               |
| ❖ Consultant to the Thai/Chinese Chamber of<br>Commerce          |                         |   |
| ❖ Chairman - Princeton Park Suites Co., Ltd.                     |                         |   |



**Mr. Prasong Vara-ratanakul**

**Independent Director**

**Audit Committee Chairman**

**Corporate Governance, Nominating and Remuneration Committee Chairman**

**Age :** 74 years old

**Director position in another listed company :**

❖ 16 Jan 17 – Present Independent Director and Audit Committee

**Education :**

- ❖ Master of Public Administration Chulalongkorn University
- ❖ Bachelor of Commerce Chulalongkorn University
- ❖ Bachelor of Law Ramkhamhaeng University

Chairman  
JCK Hospitality Public Company

Limited.

❖ 1972 - Present Independent Director and Audit Committee

Member  
We Retail Public Company Limited.

**Directors Program Training from IOD :**

- ❖ DCP, Class 72/2006
- ❖ DAP, Class 51/2006
- ❖ ACP, Class 12/2006
- ❖ AACP, Class 16/2014
- ❖ ELP, Class 2/2015

❖ 1972 - Present Independent Director and Audit Committee

Member  
Thai Property Public Company

Limited.

**Shareholding in the Company (%) :**

❖ -None-

**Director position in non-listed company :**

❖ -None-

**Family Relationship with Other Directors and**

**Executives :**

❖ -None-

**Working Experience :**

❖ Director and Audit Committee Chairman  
Krungthep Land Public Company Limited

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 30 Apr 99 – Present Independent Director
- ❖ 7 Jun 99 - Present Audit Committee Chairman
- ❖ 14 Nov 07 – Present Corporate Governance, Nominating and Remuneration Committee Chairman

**Mr. Chetawan Anuntasomboon**

**Independent Director**

**Audit Committee Member**

**Corporate Governance, Nomination and Remuneration Committee Member**

**Age :** 68 years old

**Director position in another listed company :**

- ❖ 29 Mar 18 – Present Independent Director  
and Audit Committee  
JCK Hospitality Public  
Company Limited.

**Education :**

- ❖ Barrister at Law Institute  
Legal Education Thai Bar Association
- ❖ Bachelor's Degree in Law  
Ramkhamhaeng University

**Director position in non-listed company :**

- ❖ -None-

**Directors Program Training from IOD :**

- ❖ ELP, Class 17/2019

**Working Experience :**

- ❖ Director of JCK Utilities Co., Ltd.
- ❖ Deputy Director General of Department of Public  
Works and Town & Country Planning
- ❖ Inspector of Department of Public Works and  
Town & Country Planning
- ❖ Secretary of Department of Town and Country  
Planning

**Shareholding in the Company (%) :**

- ❖ -None-

**Family Relationship with Other Directors and Executives :**

- ❖ -None-

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 28 Feb 18 - Present Independent Director
- ❖ 14 May 19 - Present Audit Committee Member  
Corporate Governance,  
Nomination and Remuneration  
Committee Member

**Mr. Tawil Praisont**

**Independent Director**

**Audit Committee Member**

**Age :** 85 years old

**Director position in another listed company :**

❖ -None-

**Education :**

- ❖ Master's Degree in Public and Administration, Syracuse University, USA.
- ❖ Master's Degree in Political Science (Honor), National Institute of Development Administration
- ❖ Bachelor's Degree in Political Science, Chulalongkorn University
- ❖ Certificate in Political and Administrative Science, Institute of Social Studies, Netherland.

**Director position in non-listed company :**

❖ -None-

**Working Experience :**

- ❖ Deputy Speaker of the House of Representatives
- ❖ Minister of the Ministry of University Affairs
- ❖ Member of the House of Representatives, Nakhon Si Thammarat, for 2 terms
- ❖ Member of the House of Representatives, Bangkok, for 5 terms
- ❖ Party list Member of the House of Representatives for 1 term
- ❖ Elective Senator, Nakhon Si Thammarat
- ❖ Municipal clerk of Sungai Kolok Subdistrict-Municipal Office, Narathiwat
- ❖ Municipal clerk of Phatthalung Town-Municipal Office, Phatthalung
- ❖ Secretary of City-Municipal Office Mayor, Bangkok
- ❖ District Supervisor of Phranakorn district and Bangkhuntien district, Bangkok
- ❖ Director of Policy and Planning, Bangkok Metropolis Administration (Government officer Level 10)
- ❖ Vice President of Rangsit University
- ❖ Bachelor's Degree Special Instructor in Metropolis Administration Subject, Faculty of Social Science, Kasetsart University
- ❖ Master's Degree Special Instructor in Metropolis Administration Subject, Faculty of Political Science, Thammasart University
- ❖ Special Instructor in many institutes, for instance, Ramkhamhaeng University, Burapha University, King Prajadhipok's Institute.

**Directors Program Training from IOD :**

❖ -None-

**Shareholding in the Company (%) :**

❖ -None-

**Family Relationship with Other Directors and Executives :**

❖ -None-

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 14 Aug 19 - Present      Independent Director  
and Audit Committee Member

**Mr. Anukul Ubonnuch**

**Director**

**Executive Director**

**Managing Director**

**Age :** 63 years old

**Education :**

- ❖ Master's Degree in Business Administration  
Kasetsart University
- ❖ Barrister at Law Institute  
Legal Education Thai Bar Association
- ❖ Bachelor's Degree in Law  
Ramkhamhaeng University

**Directors Program Training from IOD :**

- ❖ DCP, Class 7/2001
- ❖ Directors Diploma Examination
- ❖ Chartered Director, Class 5/2009

**Training from other Institute :**

- ❖ Graduate Diploma in Public Law and Management,  
Batch#6, King Prajadhipok's Institute
- ❖ Certificate of Applied Psychology for National Security,  
Batch#89, The Institute of Applied Psychology, National  
Defence Studies Institute

**Shareholding in the Company (%) :**

- ❖ 0.02% (Holding 450,000 shares as of 30 Aug 21)

**Family Relationship with Other Directors and Executives :**

- ❖ -None-

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 1 Feb 02 - Present Director
- ❖ 27 Feb 17 – Present Executive Director
- ❖ 5 Apr 19 - Present Managing Director

**Director position in another listed company :**

- ❖ -None-

**Director position in non-listed company :**

- ❖ 2020 - Present Director  
Ratchadamri Real Estate Co., Ltd.
- ❖ 2017 - Present Director  
BGY & TFD Properties Co., Ltd.
- ❖ 2009 - Present Director and Executive Director  
SG Land Co., Ltd.
- ❖ 2013 - Present Director and Managing Director  
JCK Utilities Co., Ltd.
- ❖ 2013 – Present Managing Director  
Crown Development Co., Ltd.
- ❖ 2010 - Present Director  
Midman Marketing and  
Engineering Co., Ltd.

**Working Experience :**

- ❖ Director  
Barnsley Warehouse Limited
- ❖ Director  
Bognor Regis Warehouse Limited
- ❖ Managing Director  
Credit Foncier Unico Housing Limited
- ❖ Chief Legal Department  
Laem Thong Bank PCL.

**Mr. Krittawat Taechaubol**

**Director**

**Executive Director**

**Director Deputy Managing Director**

**Age :** 31 years old

**Director position in another listed company :**

❖ -None-

**Education :**

- ❖ Master of Science in Real Estate  
City, University of London, United Kingdom
- ❖ Bachelor's Degree in Management Sciences  
The London School of Economics and Political  
Science  
United Kingdom

**Director position in non-listed company :**

- ❖ 2020 - Present Director  
Ratchadamri Real Estate Co.,  
Ltd.
- ❖ 2017 - Present Director  
BGY & TFD Properties Co., Ltd.
- ❖ 2016 - Present Director  
JCK Utilities Co., Ltd.
- ❖ 23 Apr 19 - Present Director and Executive Director  
SG Land Co., Ltd.
- ❖ 2015 – 10 Aug 21 Director and Executive Director  
Crown Development Co., Ltd
- ❖ 2019 – Present Director  
AP Prime Property Co., Ltd.
- ❖ 18 May 18 - Present Director  
High Active Consultant Tech Co.,  
Ltd.
- ❖ 7 Dec 17 - Present Director  
Rim Nam Bangpakong Co., Ltd.
- ❖ July 12 - Present Director  
Spa Capital Co., Ltd

**Directors Program Training from IOD :**

- ❖ DCP, Class 196/2014

**Training from Other Institute :**

- ❖ BBL Internship Program #58, Bangkok Bank PLC

**Shareholding in the Company (%) :**

- ❖ 2.03% (Holding 44,095,000 shares as of 30 Aug 21)

**Family Relationship with Other Directors and Executives :**

- ❖ Son of Mr. Apichai Taechaubol

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 11 Apr 14 - Present Director
- ❖ 13 Nov 15 – Present Executive Director
- ❖ 1 Jan 19 – Present Managing Director

**Working Experience :**

- ❖ Marketing Analysis Manager  
J.C. Kevin Development Co., Ltd.

**Mr. Gumpol Tiyarat**

**Director**

Age : 68 years old

**Education :**

- ❖ Master's Degree of Business Administration  
Kasetsart University
- ❖ Bachelor's Degree of Economics  
Thammasart University
- ❖ Bachelor's Degree of Accounting  
Dhurakijabundit University
- ❖ Bachelor's Degree of Law  
Chulalongkorn University

**Directors Program Training from IOD :**

- ❖ Role of the Chairman, Class 22/2009
- ❖ DCP Refresher, Class 2/2006
- ❖ DCP, Class 30/2003
- ❖ AACP, Class 21/2015

**Training from Other Institute :**

- ❖ Business and Economic Analysis Program,  
Class 22/2009  
Faculty of Economics, Chulalongkorn University

**Shareholding in the Company (%) :**

- ❖ -None-

**Family Relationship with Other Directors and Executives :**

- ❖ -None-

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 1 Feb 02 - Present      Director
- ❖ 1 Jul 09 – 4 Apr 19      Executive Director  
and Managing Director

**Director position in another listed company :**

- ❖ -None-

**Director position in non-listed company :**

- ❖ 2003 - Present      Director  
JCK Utilities Co., Ltd.
- ❖ 2009 – 10 Jun 21      Director  
Crown Development Co., Ltd.
- ❖ 1989 - Present      Director  
J.P.V. ACCOUNTION AND LAW Co.,  
Ltd.
- ❖ 2011 - Present      Director  
STAR BIZ COLLECTIONLAW Co., Ltd.
- ❖ 2002 - Present      Director  
DITTHAPADA Co., Ltd.

**Working Experience :**

- ❖ Tax Economist Officer of Revenue Department
- ❖ Ex-Police Sub-commission on Laws & Regulations  
Royal Thai Police
- ❖ Director Executive Director  
SG Land Co., Ltd.
- ❖ Managing Director  
Princetonparksuite Co., Ltd.

**Mr. Tseng, Kuo-Chan**

**Director**

**Age :** 61 years old

**Education :**

- ❖ Diploma in Li De Commercial and Technical Vocational School, Kaohsiung, Taiwan

**Director position in another listed company :**

- ❖ -None-

**Director position in another listed company :**

- ❖ -None-

**Director position in non-listed company :**

- ❖ Present President of Jaie Haour Group  
Jaie Haour Industrial Co., Ltd.  
Shangxin Construction Industrial Co., Ltd.  
Yongqing Construction Engineering Co., Ltd.

**Shareholding in the Company (%) :**

- ❖ 3.50% (Holding 75,900,000 shares as of 30 Aug 21)

**Position in other departments :**

**Family Relationship with Other Directors and Executives :**

- ❖ -None-

- ❖ Present Vice Chairman of the (Criminal) Correctional Association
- ❖ Present Committee Member of Tainan After-Care Association
- ❖ Present Executive Director of Lifeline Association
- ❖ Present Executive Director of the Consultants of the Honorary Probation Officers Association.

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 14 Aug 19 - Present Director

**Ms. Siriporn Tamenant**

**Director**

**Executive Director**

**Director Deputy Managing Director, Administration and Information Technology**

**Company Secretary**

**Age :** 64 years old

**Education :**

❖ Master of Arts in English  
Naresuan University

❖ Bachelor of Science in Business Administration (Finance)  
Roosevelt University, Chicago, U.S.A.

❖ 14 Nov 07 – Present Company Secretary

❖ 14 Nov 07 – Present Secretary of  
Corporate  
Governance,  
Nomination and  
Remuneration  
Committee

**Directors Program Training from IOD :**

❖ Risk Management Program for Corporate Leaders (RCL), Class  
5/2016

❖ Ethical Leadership Program (ELP), Class 2/2015

❖ Advanced Audit Committee Program (AAP), Class 16/2014

❖ Director Accreditation Program (DAP), Class SEC/2014

❖ Role of the Chairman Program (RCP), Class 34/2014

❖ Effective Minutes Taking (EMT), Class 8/2007

❖ Company Secretary Program (CSP), Class 13/2005 and 22/2007

❖ Role of The Compensation Committee (RCC), Class 1/2006

❖ 7 Jun 99 – Present

❖ 16 May 16 – 10 Jun 19 Deputy Managing  
Director,  
Administration  
Information  
Technology

❖ 2003 – 16 May 16 Assistant Managing  
Director,  
Administration  
Information  
Technology

**Training from Other Institute :**

❖ Top Executive Program, Capital Market Academy, class 2

**Shareholding in the Company (%) :**

❖ -None-

❖ 1994 – 2003 Administrative  
Manager

**Family Relationship with Other Directors and Executives :**

❖ -None-

**Director position in another listed company :**

❖ -None-

**Work Experience during past 5 years**

**Position in Company :**

❖ 10 Jun 19 - Present Director Executive Director  
and Director Deputy Managing Director,  
Administration and Information  
Technology

**Director position in non-listed company :**

❖ -None-

**Director position in another institution :**

❖ 2018 – Present Director  
Capital Market  
Academy



**Working Experience :**

- ❖ President's Advisor  
Capital Market Academy
- ❖ Independent Director and Audit Committee  
Member  
JCK Hospitality PCL.
- ❖ Vice President, Secretary-General and Director  
Thai Listed Companies Association

**Mrs. Rachanee Siwawej**

**Deputy Managing Director, Finance**

**Age :** 70 years old

**Director position in another listed company :**

- ❖ 31 Mar 18 – Present Director and Executive Director  
JCK Hospitality PCL.

**Education :**

- ❖ Bachelor's Degree in Commerce  
Thammasart University

**Director position in non-listed company :**

- ❖ Present Director  
Success Innovation Co., Ltd.

**Directors Program Training from IOD :**

- ❖ Director Accreditation Program (DAP), Class 46/2005
- ❖ Company Secretary Program (CSP), Class 19/2006
- ❖ Effective Minutes Taking (EMT), Class 4/2006
- ❖ Pre-CFO & Fundamental CFO

**Shareholding in the Company (%) :**

- ❖ -None-

**Family Relationship with Other Directors and**

**Executives :**

- ❖ -None-

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 16 May 16 – Present Deputy Managing Director,  
Finance
- ❖ 2009 – 15 May 16 Assistant Managing Director,  
Finance
- ❖ 1981 - 2009 Finance Manager
- ❖ 1981 – 2002 Deputy Finance Manager

**Mr. Chaiporn Yakawajorn**

**Assistant Managing Director, Finance**

Note: Resigned from the position, Assistant Managing Director, Finance, on February 1, 2022

**Age :** 48 years old

**Director position in another listed company :**

❖ -None-

**Education :**

**Director position in non-listed company :**

❖ -None-

❖ Master's Degree in Economics

Kasetsart University

❖ Bachelor of Business Administration (Finance)

Ramkhamhaeng University

**Working Experience :**

❖ Manager / Operations Supervisor

DS Prudential Management Co., Ltd.

**Training from Other Institute :**

❖ Financial advisor licensed by the Board of Director

Securities and Exchange Commission (SEC) (via

Financial Advisor knowledge test on May 30 2001)

**Shareholding in the Company (%) :**

❖ 0.00% (Holding 100 shares as of 30 Aug 21)

**Family Relationship with Other Directors and**

**Executives :**

❖ -None-

**Work Experience during past 5 years**

**Position in Company :**

❖ 3 Apr 2017 – Present Assistant Managing Director,

Finance

**Ms. Jinjuta Satayasansakul**

**Assistant Managing Director, Accounting**

**Age :** 38 years old

**Director position in another listed company :**

❖ -None-

**Education :**

**Director position in non-listed company :**

❖ -None-

- ❖ Master's Degree Faculty of Business Administration  
National Institute of Development Administration
- ❖ Bachelor of Business administration (Accounting)  
Kasetsart University

**Working Experience :**

- ❖ Manager  
EY Office Co., Ltd.

**Shareholding in the Company (%) :**

❖ -None-

**Family Relationship with Other Directors and**

**Executives :**

❖ -None-

**Work Experience during past 5 years**

**Position in Company :**

- ❖ 20 Jun 19 – Present     Assistant Managing Director,  
Accounting

**Mr. Vichaya Sirirattna**

**Assistant Managing Director, Business Development**

Note: Has been appointed to the position, Assistant Managing Director, Business Development, on July 5, 2021

**Age :** 51 years old

**Director position in another listed company :**

❖ -None-

**Education :**

❖ Master of Art, Marketing

Webster University, United Kingdom

❖ Bachelor of Science, Hospitality Management

U.S. International University-Europe

**Director position in non-listed company :**

❖ -None-

**Shareholding in the Company (%) :**

❖ -None-

**Family Relationship with Other Directors and**

**Executives :**

❖ -None-

**Working Experience :**

❖ Assistant Managing Director

Prospect Development Co., Ltd.

❖ CEO of Prospect REIT Manager

Prospect REIT Management Co., Ltd.

Prospect Real Estate Investment Trust

❖ Senior Vice President

Finansa Asset Management PCL

❖ Property Fund Manager

Krungthai Asset Management PCL

❖ Investment Manager

Ticon Industrial Connection PCL

❖ Assistant Vice President

Thai Military Bank PCL

❖ Property Consultancy Manager

Knight Frank Thailand Co., Ltd.

❖ Senior Marketing Office

Thai Factory Development PCL

**Work Experience during past 5 years**

**Position in Company :**

❖ 5 Jul 21 – Present      Assistant Managing Director,  
Business Development

## Attachment 2

### Details of Directors of Subsidiaries

**Details of Directors of Subsidiaries**

| Name of Companies<br><br>Name of Directors | JCK             | Subsidiaries |      |       |        |        |      |
|--|-----------------|--------------|------|-------|--------|--------|------|
|  |                 | JCKU         | SG   | CROWN | TFD RM | BGY    | RDR  |
| Dr. Apichai Taechaubol                     | /***, C         | /***         |      |       | /***   | /      | /*** |
| Mr. Prasong Vara-ratanakul                 | /, AC.C, CGNR.C |              |      |       |        |        |      |
| Mr. Chetawan Anuntasomboon                 | /, AC, CGNR     |              |      |       |        |        |      |
| Mr. Tawil Praisont                         | /, AC           |              |      |       |        |        |      |
| Mr. Tseng, Kuo-Chan                        | /               |              |      |       |        |        |      |
| Mr. Gumpol Tiyyarat                        | /               | /            |      |       |        |        |      |
| Mr. Anukul Ubonnuch                        | /, X, /*        | /, /*        | /, X | /*    |        |        | /    |
| Mr. Kritawat Taechaubol                    | /, X, D/*       | /            | /, X |       |        | /      | /    |
| Miss Siriporn Tamenant                     | /, X, D/*       |              |      |       |        |        |      |
| Mr. Banyong Wisetmongkolchai               |                 |              |      |       | /, /*  |        |      |
| Mr. Enil Tardani                           |                 |              | /    |       |        |        |      |
| Mr. Lee Khian Huat                         |                 |              | /    |       |        |        |      |
| Dr. Varnadharma Kanchanasuvarna            |                 |              |      |       | /      |        |      |
| Mr. Zhang Liangkang                        |                 |              |      |       |        | /***   |      |
| Mr. Zhang Jiefong                          |                 |              |      |       |        | /, CEO |      |
| Mr. Thang Chongwei                         |                 |              |      |       |        | /, CFO |      |
| Mr. Sahathep Inchin                        |                 |              |      | /     |        |        |      |
| Mrs. Sabai Khammawan                       |                 |              |      | /     |        |        |      |

Noted : /\*\*\* = Chairman, /\*\* = Deputy Chairman, /\* = Managing Director, D/\* = Deputy Managing Director, / = Director, AC.C = Audit Committee Chairman, AC = Audit Committee Member, CGNR.C = Corporate Governance, Nomination and Remuneration Committee Chairman, CGNR = Corporate Governance, Nomination and Remuneration Committee Member, C = Executive Committee Chairman, X = Executive Committee Member, CEO = Chief Executive Officer, CFO = Chief Financial Officer

|        |       |  |
|--------|-------|--|
| JCK    | Means | JCK International Public Company Limited           |
| JCKU   | Means | JCK Utilities Company Limited                      |
| SG     | Means | SG Land Company Limited                            |
| CROWN  | Means | CROWN Development Company Limited                  |
| TFD RM | Means | TFD Real Estate Management Company Limited         |
| BGY    | Means | BGY and TFD Properties Company Limited             |
| RDR    | Means | Ratchadumri Real Estate Management Company Limited |

## Attachment 3

### Details of Head of Internal Audit and Head of the Company's Compliance Department



## Details of Head of Internal Audit and Head of the Company's Compliance Department

At the Board of Directors Meeting No. 38 on June 7, 1999 appointed Mr. Teerachai Meekaew, Managing Partner, Pros and Cons Accounting Office, to perform the duties of internal auditors of the Company and its subsidiaries since 1999 - 2003 (annual contract).

Year 2004 – 2012, the Company and its Subsidiaries Contract to hire AMPRO Office 2004 (annual contract) by assigning Mr. Teerachai Meekaew to be the internal auditor due to a letter from Mr. Teerachai Meekaew dated October 1, 2004 requesting to change the name of the office.

Year 2013 – 2014, the Company and its subsidiaries entered into a contract to hire an auditor in the name of a person, Mr. Teerachai Meekaew, to be the Company's internal auditor (annual contract).

|                |                       |   |
|----------------|-----------------------|---|
| Name - Surname | Mr. Teerachai Meekaew |   |
| Age            | 56 years old          |   |
| Education      | 1995 – 1998           | Master of Business Administration<br>Thammasat University   |
|                | 1991                  | Certified Public Accountant   |
|                | 1984 – 1988           | Bachelor's degree in Accounting<br>Thammasat University   |
|                |                       |   |
| Training       | 2018                  | <ul style="list-style-type: none"> <li>- Accounting and Sustainability in Digital Trends</li> <li>- Update the key points of the 2018 Financial Reporting Standards</li> <li>- Know the issue / Catch a change / in TSA 250 (Update)</li> <li>- Get to know financial instruments : (draft) TFRS 9</li> <li>- Differences in accounting, NPAEs, and income taxes and management practices of risk from corruption</li> <li>- Accounting differences, NPAEs, and taxes on assets and liabilities; and Accounting for Planning and Measurement</li> </ul> |
|                | 2017                  | <ul style="list-style-type: none"> <li>- Insights into land, buildings, equipment and borrowing costs</li> <li>- Strategic Management Accounting and Corporate Governance and forensic accounting</li> </ul>  |

|             |                |   |
|-------------|----------------|---|
|             |                | <ul style="list-style-type: none"> <li>- Preparation of cash flow statements for separate financial statements and keeping pace Auditing Standards and Auditor's Report</li> <li>- Making Personal Cash Flow Statements to Achieve Financial Goals</li> <li>- Risk Management Framework 2017 (Enterprise Risk Management Integrating with Strategy and Performance : 2017)</li> </ul> |
|             | 2013           | <ul style="list-style-type: none"> <li>- Special Considerations in Auditing Financial Instruments</li> <li>- Interpretation of financial reporting standards (TFRI) and accounting standard interpretations (SIC) total 13 copies</li> </ul>  |
|             | 2555           | <ul style="list-style-type: none"> <li>- Ready to deal with differences between accounting principles PAEs &amp; NPAEs and tax</li> <li>- Key issued of all Financial Reporting Standards NPAEs</li> <li>- Criteria for calculating net profit in accounting TFRS and WPAEs with different tax, class 4/55</li> <li>- Auditor's Report and Practical Views</li> </ul>                 |
| Experience: | 2016 – Present | Advisor to the Audit Committee<br>Areeya Property Plc.  |
|             | 1999 – Present | Internal Auditor<br>JCK International Plc.<br>Director<br>AMPRO Audit Co., Ltd.   |
|             | 1995 – 1999    | Accounting Manager<br>Five Star Property Plc.   |
|             | 1992 – 1995    | Deputy Accounting Manager<br>Krisada Mahanakorn Plc.  |
|             | 1988 – 1991    | Senior Inspector<br>Ernst & Young Co., Ltd.   |

## Attachment 4

### Assets used in Business Operation and Details of Assets Valuation

## Assets used in Business Operation

### 1. Land, factory and warehouse for sale/rent

As of December 31, 2021, the Company and its subsidiaries have land factory and warehouse for sale/rent as follows:

| Industrial Estate / warehouse  | Area (rai) | Factory/ warehouse with tenants (building) | Empty factory/ warehouse (building) | Factory/ warehouse under construction (building) | Total (Building) | Book Value (Million Baht) | Notes/Obligations  |
|--|------------|--|-------------------------------------|--|------------------|---------------------------|--|
| JCK<br><br>Land<br><br>TFD<br><br>Industrial Estate 1 of 1.57 rai and<br><br>TFD<br><br>Industrial Estate 2 of 889.90 rai and land outside the project land 1,006.18 rai | 1,897.66   | -  | -                                   | -  | -                | 4,018.74                  | Guarantee credit with a financial institution with an area of 886.43 rai with a credit line of Baht 1,620.00 million, with the loan balance as of December 31, 2021 at Baht 881.54 million.<br><br>Credit guarantee with a financial institution with an area of 26.22 rai, with a credit line of Baht 55.00 million, with the loan balance as of December 31, 2021 at Baht 46.39 million.<br><br>Guarantee loans with third parties with an area of 161.73 rai, with a credit line of Baht 230.00 million, with the loan balance as of December 31, 2021 at Baht 185.00 million.<br><br>In February 2019, the Company has used land of 75.22 rai with credit line of Baht 31.56 million as collateral for contingent liabilities. of a subsidiary in a specific business tax case against the Revenue Department. |

| Industrial Estate / warehouse                              | Area (rai) | Factory/ warehouse with tenants (building) | Empty factory/ warehouse (building) | Factory/ warehouse under construction (building) | Total (Building) | Book Value (Million Baht) | Notes/Obligations  |
|--|------------|--|-------------------------------------|--|------------------|---------------------------|--|
| Leasehold right of land                                    | 1,350.23   | -  | -                                   | -  | -                | 426.50                    | On July 26, 2019, the Company used 72.37 rai of land with an appraised value of Baht 243.48 million as collateral for the issuance of debentures No. 3/2019. On January 27, 2020, the Company used land of 417.74 rai with an appraised value of Baht 1,697.06 million as collateral for the issuance of debentures No. 1/2020. On February 17, 2020, the Company has taken 165.65 rai of land with an appraised value of Baht 488.95 million as collateral for the issuance of debentures No. 2/2020. On February 15, 2019, the Company has taken 87.26 rai of land with an appraised value of Baht 418.85 million as collateral for the issuance of debentures No. 1/2019. |
| JCKU<br>Factory<br>Laem<br>Chabang<br>Industrial<br>Estate | 10.27      | 5  | -                                   | -  | 5                | 52.31                     | -  |
| Bang Saotong<br>Prefabricated<br>Factory                   | 39.95      | 12   | 2                                   | -  | 14               | 646.17                    | Credit guarantee with a financial institution, credit line of Baht 300.00 million, with the loan amount as of December 31, 2021 equal to Baht 279.00 million.  |

| Industrial Estate / warehouse       | Area (rai) | Factory/ warehouse with tenants (building) | Empty factory/ warehouse (building) | Factory/ warehouse under construction (building) | Total (Building) | Book Value (Million Baht) | Notes/Obligations  |
|-------------------------------------|------------|--|-------------------------------------|--|------------------|---------------------------|--|
| Warehouse<br>Tha Sa-an<br>Warehouse | 57.31      | 1  | 7                                   | -  | 8                | 1,063.04                  | On March 22, 2019, the Company has taken all the land and buildings of the project with an appraised value of Baht 1,493.70 million as collateral for the issuance of debentures No. 2/2019. |
| Total                               | 3,355.42   | 18   | 9                                   | -  | 27               | 6,206.76                  |  |

## 2. Residential (Condominium)

As of December 31, 2021, the Company and its subsidiaries have residential (condominiums) under development as follows:

| Project                       | Area (rai) | Assessment date | Appraisal price (Million Baht) | Book Value (Million Baht) | Notes/Obligations   |
|-------------------------------|------------|-----------------|--------------------------------|---------------------------|---|
| <b>JCK</b>                    |            |                 |                                |                           |   |
| The Colonial Khao Tao Hua Hin | 9.04       | May 28, 2021    | 559.40                         | 451.98                    | -   |
| Mahadlek Residences           | 1.82       | Dec 14, 2018    | 414.00                         | 290.00                    | -   |
| <b>CROWN</b>                  |            |                 |                                |                           |   |
| 15 Sukhumvit Residences       | 2.37       | 28 พ.ค. 64      | 490.70                         | 347.58                    | The Company has placed 8 condominium units as collateral for convertible No. 3/2019 |
| Total                         |            |                 | 1,464.10                       | 1,089.56                  |   |

## 3. office Building

As of December 31, 2021, the Company and its subsidiaries have assets used in business operations as follows:

| Office Building | Area (SQ.M.)     | Assessment date | Appraisal price (Million Baht) | Book Value    |
|-----------------|------------------|-----------------|--------------------------------|---------------|
| <b>JCK</b>      |                  |                 |                                |               |
| Office Building | 1,695.44         | -               | -                              | 14.57         |
| <b>SG</b>       |                  |                 |                                |               |
| SG Land Tower 1 | 15,022.84        | Jan 3, 2019     | 222.80                         | 57.41         |
| Millenia        | 11,941.50        | Jan 3, 2019     | 228.00                         | 112.02        |
| Total           | <b>28,659.78</b> |                 | <b>450.80</b>                  | <b>184.00</b> |

#### 4. Other fixed assets

As of December 31, 2021, the Company and its subsidiaries have other fixed assets as follows:

| Assets (Unit : Million Baht)  | JCK          | JCKU        | SG          | CROWN       | TFDRM       | RDR         | Total        |
|-------------------------------|--------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Building renovation           | 19.67        | 2.62        | -           | 0.08        | -           | -           | 22.37        |
| Office equipment              | 11.11        | 1.95        | 7.71        | 1.23        | 0.24        | 0.10        | 22.34        |
| Operating equipment           | 64.02        | 0.23        | 8.52        | 0.36        | -           | -           | 73.13        |
| Furniture                     | -            | -           | -           | 0.01        | -           | -           | 0.01         |
| Vehicle                       | 31.46        | 6.88        | 2.26        | -           | -           | -           | 40.60        |
| Less accumulated depreciation | (82.04)      | (11.55)     | (17.65)     | (1.32)      | (0.16)      | (0.01)      | (112.73)     |
| <b>Total</b>                  | <b>44.22</b> | <b>0.13</b> | <b>0.84</b> | <b>0.36</b> | <b>0.08</b> | <b>0.09</b> | <b>45.72</b> |



## Summary of Master Operating Contracts

### Land and office building lease agreements

As of December 31, 2021, the Company and its subsidiaries have land lease agreements as follows:

| No. | Parties   | Detail of Assets                              | Term  | Remaining            | Rental Fee per year (Million Baht)  |
|-----|---|---|---|----------------------|-------------------------------------|
| 1   | JCK (lessee) with Wachirawut Wittayalai (lessor)                                  | Mahalek Residences Project                    | The lease agreement is for a period of 30 years starting from the expiration date of the building construction period. On February 7, 2018, the rent was reduced by Bath 250,000, starting from September 2017. | 30 years             | 6.00<br>(currently reduced to 3.00) |
| 2   | JCK (lessee) with Tha Sa-an Temple (lessor)                                       | Land in industrial estate                     | 30 years (June 15, 2018 to June 14, 2048)   | 26 years<br>6 months | 1.44                                |
| 3   | JCK (lessee) with Ministry of Finance (lessor)                                    | Nakhon Phanom Special Economic Royal Property | 50 years (July 15, 2019 to July 14, 2069)   | 47 years<br>6 months | 24.00                               |
| 4   | JCKU (lessee) with I-EA-T (lessor)  | Land in Laem Chabang Industrial Estate        | 3 years (January 1, 2022 to December 31, 2024)  | 3 years              | 15.19                               |
| 5   | SG (ผู้เช่า) with Wachirawut Wittayalai (Former "Crown Property Bureau") (lessor) | SG Land Tower 1 Office Building               | 30 years (November 1, 1993 to October 31, 2023)   | 1 year<br>10 months  | 4.03                                |
| 6   | SG (Sub-lessee) with GF Holdings Company Limited (Sub-lessor)                     | office building                               | 30 years (December 1, 1995 to November 30, 2025)  | 3 years<br>11 months | -                                   |
| 7   | JCK (lessee) with JC Kevin Development Company Limited (lessor)                   | office building                               | 3 years (September 1, 2019 to August 31, 2022)  | 8 months             | 9.66                                |
| 8   | JCKU (lessee) with unrelated group of people (lessor)                             | Land in Bang Sao Thong District               | 30 years (November 1, 2022 to October 31, 2052)   | 30 years             | 3.08                                |

## Investment Policy in Subsidiaries and Associated Companies

The Company has a policy to invest in subsidiaries and/or associates that operates real estate development business and businesses related to the Company's core business or businesses that benefit the Company to expand and separate the scope powers, duties and responsibilities in business operations. However, the Company has a policy to supervise the investment companies which will send directors to be representatives in those companies. If it is a subsidiary, the Company will send representatives as directors for more than half of the total number of directors and if it is associated companies the Company will send representatives as directors in proportion to the Company's shareholding. The directors who are representative of the Company must report to the Board of Directors of the business results of the subsidiaries and/or associated companies that may have a significant impact on the Company.

In the event that the subsidiaries will purchase or sell assets of its subsidiaries or the Company will provide financial support to those subsidiaries including agreeing to enter into any related transaction in accordance with the announcements and rules of the Stock Exchange of Thailand on such matters, must comply with all applicable rules and regulations first. In addition, if subsidiaries or associated companies has controlled any action that may have a detrimental effect on the Company's representatives who are directors in that company must be reported and approved by the Board of Directors' meeting before every action.

As of December 31, 2021, the Company has investments in subsidiaries totaling Baht 1,004.82 million and the remaining book value is Baht 909.12 million, consisting of:

| Subsidiaries  | Nature of Business  | Paid-up Capital (Million Baht) | Proportion of Investment (%) | Value Investment (according to cost) (Million Baht) | Allowance for diminution in investment value (Million Baht) | value investment (as Book Value) (Million Baht) |
|---|---|--------------------------------|------------------------------|---|---|---|
| JCK Utilities Company Limited<br>(Former Total Industrial Services Company Limited) | Construction of standard factories and warehouses for sale and rent | 425.00                         | 100.00                       | 422.55  | 65.20   | 357.35  |
| SG Land Company Limited   | Office buildings for rent   | 100.45                         | 49.94                        | 45.57   | -   | 45.57   |
| Crown Development Company Limited   | Residential condominiums for sale                                   | 640.00                         | 100.00                       | 435.90  | -   | 435.90  |

| Subsidiaries  | Nature of Business   | Paid-up Capital<br>(Million Baht) | Proportion of Investment<br>(%) | Value Investment<br>(according to cost)<br>(Million Baht) | Allowance for diminution in investment value<br>(Million Baht) | value investment<br>(as Book Value)<br>(Million Baht) |
|---|--|-----------------------------------|---------------------------------|---|--|---|
| TFD Real Estate Management Company Limited                                  | Acting as the manager of real estate and leasehold investment trusts | 30.50                             | 100.00                          | 30.50   | 30.50  | -   |
| Rajdamri Real Estate Company Limited (former Mahalek Luang Company Limited) | Real estate development  | 70.30                             | 100.00                          | 70.30   | -  | 70.30   |
| <b>Total</b>  |  |                                   |                                 | <b>1,004.82</b>   | <b>95.70</b>   | <b>909.12</b>   |

The Company also has investments in joint ventures, namely BGY & TFD Property Company Limited “BGY&TFD” which Crown Development Company Limited holds shares in that Company of 51% of the paid-up capital, currently BGY&TFD has a registered capital of Baht 350.00 million, a paid-up capital of Baht 350.00 million. Investment value under the equity method (accounting) as of December 31, 2021 was Baht 343.71 million.

In addition, the Company entered into a joint operation agreement with a group of unrelated parties (Chiang Rai Group) in which the Company's real estate project has a proportion of 51% in assets as of December 31, 2021, the Company has already paid Baht 203 million.

## Property appraisal list

| No. | Name of Assets  | Property valuation company                  | Principal assessor          | Objective   | Assessment date |
|-----|---|---|-----------------------------|---|-----------------|
| 1   | Vacant land in industrial estate project TFDIE 2, area 656-1-28.3 rai       | Thai Appraisal Lynn Phillips Co., Ltd.      | Mr. Wirat Trithanawat       | To know the value of the property and can be used in the business of the bank | 18-Jun-2020     |
| 2   | Vacant land outside industrial estate project TFDIE 2, area 417-2-97 rai    | South East Asia International Co., Ltd.     | Mr. Sathaporn Ratanakamphol | For public purposes   | 18-Dec-2020     |
| 3   | Vacant land outside industrial estate project TFDIE 2, area 165-2-61 rai    | South East Asia International Co., Ltd.     | Mr. Sathaporn Ratanakamphol | For public purposes   | 18-Dec-2020     |
| 4   | Vacant land outside industrial estate project TFDIE 2, area 130-0-50 rai    | South East Asia International Co., Ltd.     | Mr. Sathaporn Ratanakamphol | For public purposes   | 15-Feb-2022     |
| 5   | Vacant land outside industrial estate project TFDIE 2, area 26-0-89 rai     | Knight Frank Chartered (Thailand) Co., Ltd. | Mr. Thanakorn Chatpong      | To know the current market value used for credit determination                | 27-Aug-2018     |
| 6   | Vacant land outside industrial estate project TFDIE 2, area 72-1-48 rai     | South East Asia International Co., Ltd.     | Mr. Sathaporn Ratanakamphol | For public purposes   | 21-July-2020    |
| 7   | Land of The Colonial Khao Tao Project, area 9-0-42.3 rai                    | South East Asia International Co., Ltd.     | Mr. Sathaporn Ratanakamphol | For public purposes   | 02-Dec-2019     |
| 8   | Leasehold right of land Soi Mahadlekluang 2                                 | Thai Appraisal Lynn Phillips Co., Ltd.      | Mr. Wirat Trithanawat       | For public purposes   | 15-Feb-2018     |
| 9   | Residential (condominium) Sukhumvit 15 Residences Project<br>total 11 rooms | South East Asia International Co., Ltd.     | Mr. Sathaporn Ratanakamphol | For public purposes   | 21-July-2020    |
| 10  | Land and building, Green Park 1, area 57-1-25.20 rai                        | South East Asia International Co., Ltd.     | Mr. Sathaporn Ratanakamphol | For public purposes   | 04-Jan-2021     |
| 11  | Land and building, Bang Sao Thong Project, area 17-1-63 rai                 | Thai Appraisal Lynn Phillips Co., Ltd.      | Mr. Wirat Trithanawat       | For public purposes   | 03-Jan-2019     |
| 12  | Land and building, Bang Sao Thong Project, area 27-3-84 rai                 | Thai Appraisal Lynn Phillips Co., Ltd.      | Mr. Wirat Trithanawat       | For public purposes   | 03-Jan-2019     |
| 13  | Millenia building   | Thai Appraisal Lynn Phillips Co., Ltd.      | Mr. Wirat Trithanawat       | For public purposes   | 03-Jan-2019     |
| 14  | SG Tower building   | Thai Appraisal Lynn Phillips Co., Ltd.      | Mr. Wirat Trithanawat       | For public purposes   | 03-Jan-2019     |

## Attachment 5

### Corporate Governance Policy and Practice and Business Conduct

## Principles on the Good Corporate Governance Manual and Business Conduct

JCK International Public Company Limited

## General Chapter

### 1. Principle and Rationale

JCK International Public Company Limited, abbreviated as “the Company”, has a clear policy to conduct business with integrity and with a high business ethics under the provisions of the law. The Company realizes the importance of good business management and has studied the principles of good corporate governance for listed companies in the year 2017 of the Securities and Exchange Commission (SEC) and has improved various principles in the Good Corporate Governance Manual and the Company's Code of Business Conduct for adoption in accordance with the Good Corporate Governance Guidelines of the Stock Exchange of Thailand in order to formulate the principles of the Company's business operations for the following important reasons:

- 1.1 In order to comply with the law and to be a good and effective tool for measuring the Company's performance.
- 1.2 This is to build confidence for investors. efficiency reliable and can create additional value (Premium) to the Company sustainably.
- 1.3 It is the creation of a good management system. Starting from the person responsible for setting the policy is Board of Directors. The directors must have visions and understand the business, independent, transparent, and accepted by the public. This will be able to eliminate the influence of interference from various parties.

### 2. The importance of providing a manual on good corporate governance and business conduct

Providing a manual on good governance and business conduct and has a good governance evaluation which can create added value to the Company and benefit all related parties and stakeholders whether shareholders, various agencies and organizations, customers, personnel and the public as follows:

- 2.1 Create transparency and has a clear and international standard of practice.
- 2.2 To increase credibility and confidence to the public, shareholders, domestic and foreign investors.
- 2.3 Build confidence in investment and increase the business value sustainably
- 2.4 Create an acceptable business model and able to compete in free market conditions
- 2.5 Create a bond for the management to exercise power within the scope Including the creation of a framework for the management and Board of Directors to stakeholders and society at large. This creates a system of responsibility to the executives, the executives to the Board of Directors and the Board of Directors to the shareholders hierarchical.
- 2.6 It is a tool to check the work of the Company to give comments and suggestions to improve Operations to be more effective and efficient.

2.7 Prevent exploitation, eliminate potential conflicts of interest and enhancing the transparency of manage.

### **3. Code of Conduct for the implementation of the Good Corporate Governance Manual and Business Conduct**

In order for good governance to have a real practical effect and benefits to all stakeholders, the Company has prepared the Good Corporate Governance Manual and Business Conduct to be to be key practices as follows:

- 3.1 To define the framework, follow-up performance and maintaining good corporate governance to be consistent with the regulations of the Stock Exchange of Thailand, including roles and duties and the responsibilities of the Board of Directors, the Board of Directors' structure, disclosure information, social responsibility and the code of conduct of the Board of Directors, executives and all employees.
- 3.2 The Company has compiled policies and various ethics about the standards of good business conduct for reference as the base of the Company's performance.
- 3.3 Good corporate governance principles and policies and various ethics in this manual is one of the disciplines that personnel at all levels must understand, adhere to and perform properly in their daily work on a regular basis. and no person shall have the right to or permit any personnel of the Company to perform any act that is contrary to the principles, policies and codes of conduct contained in this manual. If the Company finds a violation of the principles in this manual and fair investigation which results appears to be true, there will be disciplinary action and/or the law as appropriate, as the case may be.
- 3.4 The Company expects all personnel have reported in good faith the conduct that is contrary to or suspected to be contrary to the principles in this manual directly to the supervisor or in cases where it is not possible to report directly to the supervisor may seek advice from higher level supervisors internal auditor or human resources management. The information provided will be treated as confidential information. However, the supervisors themselves have an obligation to monitor and give advice to subordinates in the hierarchy to comply with the policy and the code of ethics set out in this manual regularly.
- 3.5 This the Good Corporate Governance Manual and Business Conduct must be reviewed and updated every year by the Executive / Office of the Managing Director. However, the Company does not intend to formulate policies and codes of conduct in every matter, but only on matters that are important and are currently being practiced. It is always or only having frequent mistakes or



complicated practices any policy or code of conduct in this manual, please inquire at the Office of the Managing Director or the department which responsible for that matter at all times.

However, in order to verify proper use of discretion can be done by asking yourself first what to do

1. Is this the right thing?
2. Is it acceptable and can be disclosed to society?
3. Is it defamation of the company's reputation?

## **Principles on the Good Corporate Governance Manual and Business Conduct**

The Board of Directors of JCK International Public Company Limited, abbreviated as “Board of Directors”, recognizes the importance of good corporate governance that corporate governance helps strengthen trust and confidence among investors, financial institutions, business partners and other stakeholders in the business in a sustainable manner, the Board of Directors of JCK International Public Company Limited (hereinafter referred to as the “Board of Directors”) has adopted the principles of corporate governance (CG) and business conduct in “the Company’s Corporate Governance Manual and Business Conduct” as a guideline for directors, executives, employees and other related persons to comply with. The Board of Directors has periodically updated the CG principles as well as disseminated this and other information through the Company’s website at <http://www.jck.international>.

In 2021, the Board of Directors has reviewed the principles appeared in the Company’s Corporate Governance Manual and Business Conduct to comply with the 2017 Corporate Governance Code (“CG Code 2017”) of the Securities and Exchange Commission (“SEC”), and also provided and promoted knowledge and understanding to the Company’s employees about the principles in the Company’s Corporate Governance Manual and Business Conduct, which considered as one of the disciplines to all of the Company’s employees to comply. Moreover, according to the compliance of such principles of the Company’s personnel last year, there were not any disobedience occurred.

The Company’s Corporate Governance Manual and Business Conduct can be divided into 11 important chapters as follows:

|            |  |
|------------|--|
| Chapter 1  | Business philosophy  |
| Chapter 2  | The Board of Directors   |
| Chapter 3  | Ethics of the Board of directors, the management and the employees |
| Chapter 4  | Reports on the finance, the management and the internal control    |
| Chapter 5  | Risk management  |
| Chapter 6  | Rights of the shareholders   |
| Chapter 7  | Equitable treatment of shareholders                                |
| Chapter 8  | Role of the stakeholders   |
| Chapter 9  | Disclosure of the information and transparency                     |
| Chapter 10 | Responsibility for the society and the environment                 |
| Chapter 11 | The anti-corruption  |

## **Chapter 1 Business philosophy**

The Company has the intention to be the best on the organization that does business on real estate development with good management, focusing on increasing the operation to be flexible with the capability in competition and can operate with optimization to the involved persons, including the stakeholders. Moreover, the Company is determined to be an organization with good ethics, transparency and accountability to increase the value to the business and acceptability by everyone involved. From the said intention the Company has prescribed the philosophy in the business for the Board of Directors, the management and the employees to use as guidelines for the operations. It emphasizes the personnel to have good attitude with the learning behavior and development creatively and consciously on the overall society. The said philosophy consists of the following essence:

### **1. Main principles in the business operations and good corporate governance**

#### **1.1 Accountability**

is the responsibility on decision-making and self-action and can explain the decisions.

#### **1.2 Responsibility**

is the responsibility toward the duty with adequate capability and effectiveness.

#### **1.3 Equitable Treatment**

is treating the stakeholders and all parties equally, justifiably and explicably.

**1.4 Transparency**

is transparent operations that can be verified and the information disclosed to all involved parties.

**1.5 Vision to create long term value**

is having the vision to build added value to the business in the long run.

**1.6 Ethics**

is maintaining the ethical value while doing the business.

**2. Corporate Values**

- 2.1 To the shareholders - It shall do business with sustainable growth and profitability, considering the good return on investment.
- 2.2 To the customers - It shall build satisfaction to the customers by presenting the products and services with high quality at the international-standard level at the fair prices.
- 2.3 To the employees - It shall support the development on capability of working at the professional level continuously with confidence for the life quality of the employees to be equal to the leading companies.
- 2.4 To the community - It shall be responsible for and has participated in development of the environment with good quality life for the community.
- 2.5 To the trade partner - It shall build good relations for mutual interest.

**3. Corporate culture**

- 3.1 Attitude
  - Having the ownership feeling.
  - Focusing the business interest as priority.
  - It is customer-centered.
  - Focusing the organization to have continuous development.
  - Having the conscience on team spirit with the mutual goal that is clear.
- 3.2 Thinking method
  - Thinking in analytical method with the strategic system and in-line issue.
- 3.3 Working behavior
  - Having the clear framework and working plan.
  - The working method can be adjusted according to the situation.
  - Working in teamwork.
  - Recording and collecting information for analysis and building as knowledge.
  - Having the system to transfer the working method systematically.
  - Knowing how to manage the time.

## Chapter 2 The Board of Directors

### 1. Criteria and procedure for nominating directors and the high-level management

#### 1.1 State of leadership and independence of the Board of Directors

- The Board of Directors under the leadership of the chairman shall have the state of leadership and can control the operations of the management efficiently and effectively to achieve the targets that are the heart of the business of the Company by building and increasing the investment value to the shareholders, the government sectors, the people and the stakeholders.
- The Board of Directors should consist of independent directors with knowledge and capability, and should convene a meeting at least 4 times a month. The independent directors must access to the financial data and other business sufficiently to express opinions independently, keeping interest of those involved by attending the meeting regularly.
- The Company requires that Chairman and Managing Director be elected from members of the Board of Directors and that they are two different persons where roles and responsibilities relating to policy, performance evaluation and management are separated from each other. The Chairman of the Board shall have leadership skills. His major responsibilities are to ensure that the Board is independent from the management, to adopt meeting agendas based on the Board's responsibility and to effectively chair the meeting of the Board of Directors and Shareholders by encouraging all directors to participate at the meeting.

#### 1.2 Elements of the Board of Directors and the appointments

- The Board of Directors be comprised of:
  - Executive director,
  - Non-executive director,
  - Independent Director
- The Company aims to have the independent directors to be the most professional possible, but no less than 3 persons.
- The directors should come from the authorities in various fields to integrate the necessary ability, consisted of the persons knowledgeable in real estate development at least 3 persons, at least one legal-knowledgeable person, and one person in accounting and finance.
- Appointments of the directors should comply with the specific agenda, transparency and clarity by disclosing the number of years each director has been with the Company in the annual report and the Company's website.

### 1.3 Appointments of other committees

- The Audit Committee: The Board of Directors must appoint the Audit Committee as part of it from the directors at least 3 persons from which 1 person must have knowledge on accounting/finance. The Audit Committee must have the qualification on independence, according to the notice of the SET on the qualification and scope of operations of the audit committee to inspect/supervise the operations of the Company. It shall report on finance, internal control, selection of the auditor, and consideration on the conflict of interest, including reporting on governance of the business of the Audit Committee. At present, the Company has 3 independent directors who are members of the Audit Committee, and all 3 of them have knowledge for reviewing the Company financial report and relevant experience as follows:

- |                 |                |                          |
|-----------------|----------------|--------------------------|
| 1. Mr. Prasong  | Vara-ratanakul | Audit Committee Chairman |
| 2. Mr. Chetawan | Anuntasomboon  | Audit Committee Member   |
| 3. Mr. Tawil    | Praisont       | Audit Committee Member   |

- The Corporate Governance, Nomination and Remuneration Committee: The Board of Directors on November 14, 2019 has appointed two independent directors as members of the Corporate Governance, Nomination and Remuneration Committee who are fully qualified according to the criteria of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) Re: Qualifications of independent directors. The two members of the Corporate Governance, Nomination and Remuneration Committee whose term of office is 3 years or until they are no longer the Company's directors, are as follows:

- |                 |                |   |
|-----------------|----------------|---|
| 1. Mr. Prasong  | Vara-ratanakul | Corporate Governance, Nomination and Remuneration Chairman  |
| 2. Mr. Chetawan | Anuntasomboon  | Corporate Governance, Nomination and Remuneration Committee |

In order to effectively perform their duties and to achieve their responsibilities as assigned by the Board, the Corporate Governance, Nomination and Remuneration Committee shall hold the meeting at least 2 times a year to consider and conduct any matters to achieve their responsibilities.

In addition, the Board of Directors clearly states a policy that independent directors shall serve on the Board not longer than 9 years consecutively starting from the date of their first appointment. In case of re-appointment, the Board shall appropriately review towards the necessity.

**2. Characteristics and qualifications of the Board of Directors**

- The Board of Directors shall have the qualification and shall not have disqualification pursuant to the criteria under the Public Company Act.
- The Board of Directors will thoroughly review performance of directors sitting in the board of various companies. In other words, each director should not hold directorship in more than 5 listed companies and non-listed subsidiaries.
- The independent directors must have the qualifications concerning independency, according to the notification of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) Re: Qualification and scope of work of the audit committee, and can oversee the interests of all the shareholders equally, and no conflict of interest between the Company and the management, the major shareholders of other companies, which the management / major shareholders in the same group. Moreover, it shall attend the Board meetings and express opinions independently.

According to the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) Re: Qualifications of an independent director, determine the structure of Listed Company's Board of Directors that shall be at least 3 members of the Board membership is made up of independent directors and the sub-committee should be an independent director. The Company is able to determine the qualifications of an independent director over the standard of SET and SEC.

The independent directors must have the qualifications concerning independency from major shareholders, executives, and related person or director not being as executive of the Company, subsidiary, and associated companies. Those qualifications shall be in compliance with the rules and regulations regarding clause 16: qualifications of an independent director of Notification of the Capital Market Supervisory Board No. TorChor. 39/2016 Re: Application for and Approval of Offer for Sale of Newly Issued Shares as follows.

**Qualifications of independent directors of the Company**

1. Holding shares not to exceed 1% of the total shares with voting right of the Company, its parent company, subsidiaries, associates, major shareholders and controlling parties of the Company, provided that the shares held by the related parties of such independent director shall be included.
2. Not being or having never been an executive director, employee, staff, advisor receiving regular salary, nor controlling parties of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company, unless the foregoing status ended at least 2 years prior to the date of submitting the application to the Securities and Exchange Commission (SEC). Such prohibition shall not include the case that such independent director used to

be an official or advisor of the government sector that is the major shareholder or controlling party of the Company.

3. Not being the person who has relationship by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters and children. The prohibitive persons also include spouses of daughters and sons of other directors, executives, major shareholders, controlling parties or the person who is in the process of nomination to be the director or the executive or controlling party of the Company or its subsidiary.
4. Not having or having never had business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholders, or controlling parties of any person having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company, unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

The business relationship mentioned under the first paragraph shall include any business transaction in ordinary business manner, rent or lease of the immovable property, transaction related to assets or services, or provision or receipt of the financial support regardless of being lend or borrowing, guarantee, provision of assets as collateral, and any otherwise similar conduct which causes liability or obligation to the Company or counter party, provided that such liability is equal to or exceed 3% of the net tangible assets of the Company or equal to or more than Baht 20 million, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction to be applied mutatis mutandis. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

5. Not being or having never been the auditor of the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company and is not the significant shareholder controlling parties, or partners of the auditing firm which employs an auditor to the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company, unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Not being or having never been the professional service provider, including a legal service or financial advisor receiving service fees for more than Baht 2 million per year from the Company, its parent

company, subsidiaries, associates, major shareholders or controlling parties, and is not the significant shareholder, controlling parties, or partners of the above mentioned service firms, unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

7. Not being the director who is nominated to be the representative of directors of the Company, major shareholders, or any other shareholder related to the major shareholders.
8. Do not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor receiving regular salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the Company or its subsidiaries.
9. Not being in any character which may hinder to express independent opinion regarding the business operation of the Company.

Such independent director may be assigned by the Board of Directors to make decision in respect of collective decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of the Company.

### **3. Main duties and responsibilities of the Board of Directors and sub-Committees**

#### **3.1 Scopes of authority of the Board of Directors**

1. To review and approve actions as required by the laws.
2. To regularly review the managing director's performance; to set managing director's remunerations.
3. To determine the business's vision and be responsible for the business's operation results and performances of the management by promoting attentiveness and prudence.
4. To review and approve major strategies and policies, objectives, financial goals, work plans and to regularly monitor the management for their compliance.
5. To set up a reliable accounting system, financial reporting and auditing as well as a process that evaluates the soundness of an internal control system and an internal auditing system to ensure their efficiency and the effectiveness of the Company's risk management, financial reporting and monitoring practices, at least annually as well as to disclose the review results in the annual report.
6. To supervise and resolve problems of conflict of interest among stakeholders.



7. To oversee the Board of Directors' practices to be in line with corporate governance and ethical work practices.
8. To be authorized to approve investment items and expenses in projects exceeding Baht 500 million in value which, however, shall be aligned with relevant regulations of the SEC, the Capital Market Supervisory Board and the SET.

The Executive Board of Directors shall be empowered to approve investment items and expenses in projects for a value not exceeding Baht 500 million, while Managing Director is authorized to approve investment items and expenses not exceeding Baht 100 million in value.

9. The Board shall ensure that the management regularly monitors, evaluates and makes reports on the company's financial status to the Board. The Board and the management shall ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.
10. The Board shall ensure that it does not consciously approve any transactions or propose any transactions for shareholders' approval which could negatively affect business continuity, financial liquidity or solvency.
11. In the event of financial risk or difficulties, the Board shall enhance monitoring of the affairs of the Company and duly consider the Company's financial position and disclosure obligations.
12. The Board shall ensure that the Company has sound financial mitigation plans considering the stakeholders' rights, including creditor rights. The Board shall monitor the management's handling of financial risk or difficulties and seek regular reports.
13. The Board shall ensure that any actions to improve the Company's financial difficulties, by any mean, shall be prudently made.

### **3.2 Scopes of authority of the Sub-Committees**

The Board of Directors has set up 2 sub-committees; namely the Audit Committee and the Corporate Governance, Nomination and Remuneration Committee, whose significant responsibilities are as follows.

#### **3.2.1 Scopes of authority of the Audit Committee**

1. To review the Company's financial statements to ensure that it reflects the Company's actual financial status.
2. To review that the Company has put in place an appropriate and effective internal control system and internal audit; to approve an appointment, transfer, termination and performance evaluation of head of the Internal Audit Department and to review the Internal

Audit Department's independence towards its performance and reporting tasks as well as its line of command.

3. To review the Company's compliance with the laws on securities and exchange, the SET's requirements or other laws relating to the Company's business.
4. To review, select, nominate, appoint and propose the auditor's fee and to review the auditor's independency in case the Company's auditor provides other non-audit services which could lead to its lack of independence; and to organize a meeting with the auditor without the presence of the management at least once a year in order to seek opinions in various matters from the auditor.
5. To review compliance and information disclosure in the case of connected transactions or any transaction with a potential conflict of interest for the purpose of accuracy and comprehensiveness.
6. To prepare the Audit Committee's annual corporate governance report to be signed by Chairman of the Audit Committee. This report will be published in the Annual Report and sent to every shareholder. The report will feature the number of the Audit Committee's meetings being held during the year, meeting attendance of each of the Committee's members and their opinions in the following issues:
  - Accuracy, comprehensiveness and reliability of the Company's financial statements;
  - Adequacy of the Company's internal control system;
  - Legal compliance with the laws on securities and exchange, the SET's requirements or other legislations relating to the Company's business;
  - The auditor's suitability;
  - Transactions with a potential conflict of interest;
  - Overall opinion or observation that the Audit Committee has received from performing its duty based on the Charter;
  - Other information that shareholders and investors should learn based on the roles and responsibilities entrusted by the Board;
7. To perform other duties as designated by the Board upon the Audit Committee's approval.

### **3.2.2 Scopes of authority of the Corporate Governance, Nomination and Remuneration Committee**

The Corporate Governance, Nomination and Remuneration Committee has a duty to recommend, supervise and review corporate governance practices of the Company as well as nominate those qualified as the Company's directors to replace directors resigning on rotation or in other cases. The Committee also reviews an evaluation system of performance of the

Board and other committees. It is responsible for a succession plan of the Company's managing director, which will then be reported to the Board for approval or for proposing to the Shareholders' Meeting, as the case may be. The Committee also studies changes and trends of director's remunerations and recommend it as a policy to keep quality people with the Company while acting as an incentive to help expanding the Company. Its jobs are as follows:

1. To review corporate governance policies and practices and business ethics to see if they are sound and adequate; and to improve and update such policies for continuity to present.
2. To monitor the compliance of a corporate governance policy and business ethics by the Board, the management and staff according to the Company's practices and policies.
3. To promote compliance with corporate governance policies and practices and business ethics for continued effect and to ensure that it fits with the Company's business.
4. To recommend the Company, the Board, the management and workgroups on corporate governance.
5. To determine how to nominate director or managing director systematically and transparently.
6. To nominate an appropriate person to be as a director or a managing director in case of vacancy for further recommendation to the Board or the Shareholders' Meeting, as the case may be.
7. To recruit future directors to replace those whose term is expired for further recommendation to the Board or the Shareholders' Meeting.
8. To nominate a director qualified as a member of the sub-committee for recommendation to the Board in case of vacancy.
9. To recommend how to evaluate performances of directors, the Board and the sub-committee and to follow up with the evaluation.
10. To review and propose amendments to the scopes of authorities and responsibilities of the Corporate Governance, Nomination and Remuneration Committee and to determine its remunerations that suit each situation.
11. To recommend any guideline on remunerations and the method to pay remunerations or other benefits to the Board, the sub-committees and the managing director with fair and reasonable criteria and to propose it to the Board of Directors for consideration.
12. To perform other functions as entrusted by the Board.

**4. Role and Responsibilities for Chairman**

The Chairman is responsible for leading the Board of Directors. The Chairman's duties should at least cover the following matters:

- To oversee, monitor, and ensure that the Board efficiently carries out its duties to achieve the Company's objectives.
- To ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- To set the board meeting agenda by discussing with the managing director and the Company Secretary and to ensure that important matters should be included in the agenda.
- To allocate sufficient time for the management to propose topics and for the directors to debate important matters thoroughly, and to encourage the directors to exercise careful contemplation and with independent judgement.
- To promote constructive relations between executive directors and non-executive directors, and between the Board and the management.

**5. Qualifications and responsibilities of Company Secretary**

The Board of Directors shall appoint a Company Secretary to oversee activities of the Board and to ensure that both the Board and the Company comply with relevant laws, rules and regulations. The Company Secretary is to oversee the meeting of the Board of Directors and the shareholders as well.

**Qualifications of Company Secretary**

- Understand the Company's business and related roles and responsibilities of Company Secretary's functions, including having fundamental knowledge in principles of laws and regulations of governing agencies, the laws on public company and the laws on securities and exchange. The Company Secretary is to seek knowledge from experts or legal advisors to strengthen his/her understanding.
- Being knowledgeable; understand and support the Company's operation to achieve the purposes under the principle of corporate governance and best practices on corporate governance.
- Refrain from seeking personal interest from the Company's business opportunities; be able to keep the Company's secrets; hold morale and ethic and take into consideration of all stakeholders; and refrain from action that could defame the Company's reputation and harm its image.
- Have excellent interpersonal skills; able to coordinate with both internal departments and external agencies.

### Roles and Responsibilities of Company Secretary

- Give basic consultation and advice to the Board of Directors in respect of laws, orders and regulations of the Company, as well as to ensure proper and consistent compliance; as well as to make reports on any significant change in matter of laws to directors.
- Organize the shareholders' meeting and the Board's meeting in accordance with the laws, articles of association and proper practice;
- Prepare and keep documents of the Board of Directors and shareholders; namely registration of directors, invitation letter to attend the meeting of the Board and Shareholders, minutes of the meeting of the Board and Shareholders, annual report and quarterly financial statements;
- Keep the reports of interests filed by the directors or executives and make submission as required by laws;
- Have information and IT reports under his/her responsibility to be disclosed to governing agencies in compliance with the laws and the Company's rules and regulations on information disclosure.
- Contact and communicate with general shareholders to keep them informed of various shareholders' rights and the Company's news;.
- Conduct any other function as entrusted.

The Company has appointed Ms. Siriporn Tamenant, who has proper qualifications as the Company Secretary on November 14, 2007.

|                            |   |
|----------------------------|---|
| <b>Name</b>                | Ms. Siriporn Tamenant   |
| <b>Title</b>               | <ul style="list-style-type: none"> <li>- Director</li> <li>- Executive Director</li> <li>- Director Deputy Managing Director, Administration and Information Technology,</li> <li>- Company Secretary</li> </ul>  |
| <b>Education</b>           | <ul style="list-style-type: none"> <li>- Master of Arts in English Naresuan University</li> <li>- Bachelor of Science in Business Administration (Finance) Roosevelt University, Chicago, U.S.A.</li> </ul>   |
| <b>IOD Training course</b> | <ul style="list-style-type: none"> <li>- Ethical Audit Committee Program (ELP), Class 2/2015</li> <li>- Advanced Audit Committee Program (AACP), Class 16/2014</li> <li>- Director Accreditation Program (DAP), Class SEC/2014</li> <li>- Role of the Chairman Program (RCP), Class 34/2014</li> <li>- Effective Minute Taking (EMT), Class 8/2007</li> </ul> |

- Company Secretary Program (CSP), Class 22/2007
- Role of The Compensation Committee (RCC), Class 1/2006
- Risk Management Program for Corporate Leaders (RCL),  
Class 5/2016

#### **6. Procedures on the Board meetings and the receipts of documents and data**

- The office of the managing director to act as the secretary of the Company to hold board meetings, the shareholders' meetings, and to give advices on the various laws that the Board of Directors should know.
- The Company shall set the Board meeting schedule and agenda in advance and notify each director of the schedule so that each member of the Board can manage time to attend the meetings.
- The Board of Directors should dedicate and pay attention to the Company fully and shall be ready to attend the meetings regularly at least once every 3 months, and as required in special circumstances, but not less than 6 times a year. It requires at least one half of the total directors to attend the meeting in order to achieve the quorum. Absence from the Board meetings more than 3 consecutive times without reasonable causes shall be regarded as not wanting to become the Company's director anymore.

If the meetings are not monthly, the Company should submit to the Board, for the month of not having a meeting, a monthly report on the Company's performance so that it can monitor the management's performance continuously and promptly.

- No less than two-thirds of all directors shall be present at the meeting of the Board of Directors when a resolution is adopted,
- All directors should attend at least 75% of all the numbers of the Board meetings to be held during the year.
- The Chairman of the Board should give approval on the meeting agenda by consulting with the managing director; however, the managing director should consider a request by some directors to put other important matters in the agenda in the next meeting.
- The Chairman of the Board should give confidence that the Board of Directors to allocate the time sufficiently for the management to present documents and information for discussion and adequately for the directors to discuss the important issues.
- The Chairman of the board should have the clear measure for the directors to receive the information involved in advance with sufficient time to study and decide correctly on the matters at each board meeting. Relevant documents for the meeting shall be sent to each director at least 5 business days in advance of the meeting.
- The Board of Directors can access to additional information by requesting documents, data, consultation and various services concerning the operations from the high-level management or the

Company Secretary and may seek independent opinions from outside consultants, as necessary, to be supplemental in each meeting, at the Company's expense.

- The minutes of the Board meetings shall be prepared for clarity and reference.

## **7. Evaluation of the Board of Directors**

### **Criteria for the evaluation of the Board of Directors**

- The Board of Directors should prepare the self-evaluation form to be used as the framework for examination of the performance of the directors constantly.
- The Board of Directors should set its working standards with criteria and evaluation on its performance in order to compare with the criteria periodically.
- The managing director should participate in explaining the expectations from the Board of Directors.
- The Board should appoint an external consultant to facilitate a board assessment at least once every 3 years, and assessment results should be disclosed in the annual report.

### **The process and the evaluation of the Board of Directors**

- The Board of Directors shall set up an evaluation form where the Board and the sub-committees shall conduct a self-evaluation on a group basis 1 time a year by using a reference from the evaluation form of the SET and the Institute of Directors (IOD) as a framework to check and improve the performances of the directors. The name of evaluated directors and the results derived from the evaluation will not be disclosed. The evaluation form of the entire Board consists of 4 topics as follows:
  1. Structure of the Board
  2. Strategy and directions of the Company
  3. Monitoring and evaluation of the management
  4. Responsibilities of the Board
- To evaluate performances of the Board of Directors, the self-evaluation surveys of each individual director will be gathered. Results of the evaluations in "appropriate" and "to be improved" columns will be added up and divided by the total number of directors conducting the self-evaluation to come up with a percentage from all directors to present a summary of whether each of the topics is appropriate or to be improved.

## **8. Development of the Board and the management**

- The Board of Directors encourages and facilitates the directors, executives, Company Secretary and related parties in order to attend coursework training to be organized by the Thai Institute of Directors

(Thai IOD), the Stock Exchange of Thailand (SET), or other independent agencies to improve their performances. Whenever a new director is appointed, the management will provide documents and information to be beneficial to his/her performance, including to organize a session to introduce the Company's nature of business and direction to the new director.

- The Board requires Managing Director to regularly report a succession plan as well as to appoint a successor to replace executives at various levels in case they cannot perform their duty. All the information has already been stated in the Company's HR policy and HR development plan annually.

## **9. Separation of duties and responsibilities between the Board of Directors and the Management**

The Company has clearly defined separate and respective roles, duties and responsibilities of the Company's Board of Directors and those of the management as follows:

- The Company's Board of Directors has the role of overall governance and oversight of the Company's business operations so as to ensure that they are in accordance with all legal requirements as well as the corporate objectives and regulations of the Company as approved by the Board Meeting together with the Company's policy on corporate governance, where by the Board of Directors need to make decisions with due care, integrity and in an honest manner for the maximum benefit of the shareholders.
- The Executive/Management Group has the duties and responsibilities to undertake normal operating activities of the Company based on policies determined by the Board, so as to achieve the established goals and corporate strategies.

## **Chapter 3 Ethics of the Board of Directors, the management and the employees**

In order to show the intention of the Company in doing the business with transparencies, merits and responsibilities towards the stakeholders, considering the society and the environment, the Company's ethical standards are set for the Board of Directors, the management and all the employees to use as the guidelines in practices in conjunction with the Company's rules/regulations as follows.

### **3.1 Ethics of the Board of Directors and the management**

To be in compliance with the above principles, the Board of Directors and the management shall conform with the ethics as follows:

1. The Board of Directors and the management shall perform their duty according to the laws, objectives and regulations of the Company and the resolutions of the shareholder's meeting.



2. The Board of Directors and the management must manage the business for the benefit of the Company, the shareholders, and the employees at present and in the future, as well as to maintain the image of the Company.
3. The Board of Directors and the management must manage the business with integrity for the benefit of the Company, the shareholders and the employees at present and in the future.
4. The Board of Directors must have the important role in the control and decision-making on the policy, including appointing the management to manage daily affairs, and each side has the responsibility on the duty towards each other to comply with the objectives and rules of the Company. The Board of Directors should give power to the management to do the daily operation fully without interfering by non-justifiable cause.
5. The Board of Directors and the management must not have conflict of interest or competition with the Company directly or indirectly.
6. The Board of Directors and the management shall manage the operations avoiding conflict of interest with the Company, so the management is effective and beneficial to the Company, including:
  - Not seeking personal interest from the directorship.
  - Not abuse the confidential information of the Company.
  - Not being a director or a management in a competing company.
  - Not having interest in signing a contract for the Company.
7. The Board of Directors and the management must manage the work carefully, and not to create any binding effect to the Company that may have conflict with their duty later.
8. The Board of Directors and the management must not seek personal interest from their working whether directly or indirectly.
9. The Board of Directors and the management must work on their duty in full capacity for the maximum interest to the Company.
10. The Board of Directors and the management must not be an important operator or shareholder or have a family member as a director or shareholder in the business or any business in the same condition and in competition or do the business with the Company regardless of for self-interest or for others.

11. The Board of Directors and the management must not do any kind of conduct that would deteriorate the Company's interest or grant advantage to the other person or company for self-interest or for others.
12. The Board of Directors and the management must determine to prevent and eliminate corruption of all kinds based on speediness, clarity and definiteness.
13. The Board of Directors and the management must be independent in decision-making and performing, including creating satisfaction from the correctness of the decision-making by the Board of Directors and the management.

### **3.2 Implementations by the employees**

The Company's business is the real estate development both in the industrial and residential sectors. The Company shall optimize to the shareholders and that it is necessary to maintain professionalism, flexibility and independence to maintain those characteristics further. Therefore, the Company has specified the guidelines for the employees as follows:

- 3.2.1 She/he does the duty with responsibility, integrity, determination, dedication and observation of the rules and policies with interest of the Company as priority.
- 3.2.2 She/he strictly maintains the confidentiality to the customers, trade partners and the Company, by caring not to allow any documentation or information held as confidential to the Company to be exposed to the outsiders that may cause damage to the Company.
- 3.2.3 She/he respects in personal rights of other employees by avoiding bringing data or information of other employees concerning the operations and personal matters to be disclosed or commented in the way to cause damage to the employees or overall image of the Company.
- 3.2.4 She/he does not defame or do anything to lead into the internal division or damage to the Company or persons involved.
- 3.2.5 She/he maintains and creates unity and team spirit among the employees and helps to support each other for benefit to the Company's work on the overall.
- 3.2.6 She/he treats the colleagues with politeness, spirit and good human relations, by not concealing necessary data for the operation of the colleagues and being in good cooperation with other people, including giving honor to others by not claiming the work products of others as his own.
- 3.2.7 She/he shall behave and develop himself/herself for self-benefit and the Company by always seeking knowledge and experience to build working ability, adhere to the merits, and abstain

from all the vices, and not to behave in a way that may cause bad reputation to oneself and the Company.

- 3.2.8 She/he shall notify the superior or the audit committee if the Company or its management or any employee is found to do something in bad faith or corrupt practice.
- 3.2.9 She/he shall pay attention and help in anything to conserve the environment and atmosphere on working, including development of the organization to excellence.
- 3.2.10 She/he should avoid giving/receiving things, entertainment or any benefits from the trade partners or stakeholders of the Company, except for the benefit in doing business in the righteous way of the Company, or in festival or customary tradition at the suitable value. The recipient shall consider if the gift received in the monetary form or things with high value, he/she shall notify the superior and return it.

#### **Chapter 4 Reports on the finance, the management and the internal control**

- The Board of Directors should report on the status evaluation and trend of the Company, by summarizing in the terms that is easy to understand in the annual report of the Company.
- The Board of Directors must prepare the balance sheet, profit and loss statement and report of the auditor together with the annual report of the Board of Directors to be presented to the shareholders in the annual general meeting (AGM) for approval.
- There shall be an administrative report on analysis in various forms as the Board of Directors may require, in addition to the financial and audit reports.

#### **The audit committee and the auditor**

- The Board of Directors should provide the system that is official and transparent in maintaining relation with the internal and external auditors with the audit committee as the coordinator.
- The external auditor should confirm independency of himself each year to the audit committee, and the various methods used in the auditing office for confidence of independency of the external auditor.
- The auditor is entitled to verify the reports or other financial reports that the Board of Directors issues together with the financial report that it has audited, and can report the abnormality in the report that is inconsistent with the audited financial statement.
- The audit committee has the duty to be responsible for the review of the financial report.

- The remuneration on the audit and other fees paid to the auditor should be disclosed separately in the financial statement for transparency and independency of the auditor.

### **Internal Control**

Realizing the significance of internal control and regular supervision, the Board of Directors has designated the Audit Committee to review and assess the internal control process. The Internal Audit Department which is independent from the management shall directly report to the Audit Committee to ensure efficient and effective performance. The efficiency of the internal control system shall be regularly assessed. The audit should cover everything including the financial control, operations, governance and compliance control, risk management and priority to the unusual items.

### **Chapter 5 Risk management**

The Company assesses both internal and external risks that could affect its operation. It analyzes and ranks major risks based on impacts and potentials of the risks to strike each business process as a means to adopt a risk management plan. In addition, risk factors and circumstances are closely monitored.

The Company sets up teamwork or clearly authorizes to the unit within the Company for verifying and governing of the risk management such as financial risks, operation risks, business risks or event risk, etc. and to preparing the risk management report to be presented to the Board of Directors.

In addition, the Board of Directors also discloses risk management practices and risk factors in the Company's Annual Report and every time the level of risk exposure changes. This includes giving priority to advanced warning signals and unusual transactions. The Board of Directors also reviews the adequacy of the risk management process and risk management efficiency at least once a year or as deemed necessary.

### **Chapter 6 Rights of the shareholders**

The Company recognizes the shareholders' rights and avoids any action that violates those rights as well as encourages the shareholders to exercise their right for controlling the Company by appointing the Board of Directors to act as their representatives to make decisions on any significant corporate changes.

- The Board of Directors publicly discloses policies to encourage all shareholders, especially institutional ones, to attend the Company's shareholders' meeting.
- The Company provides to the shareholders, in advance of meetings, with the date, time, venue, and all agenda items with the rationale or explanation for each agenda item or resolution in the notice of the

annual general meeting or extraordinary general meeting or circulars and/or the accompanying statement.

- The chairman of the meeting should allocate the time appropriately and promote expression of opinions and inquiries at the meeting and allow the shareholders to send their questions to the Company prior to the meeting date pursuant to the determined criteria for accepting advance questions. The Company also posts the process for submitting the advance questions on the Company's website.
- The Board of Directors encourages the shareholders to specify their votes and allows the shareholders to appoint at least 1 independent director to be appointed as their alternative proxy.
- The Board of Directors supports the Company to use technology in the shareholders' meeting, including in recording attendee registration, printing ballots and processing voting results for fast, precise and accurate meeting process.
- Each director, especially the Chairman of the Board/chairman of the committees should attend the meetings of the shareholders to answer the questions by the meeting attendants.
- The shareholders should have the right to vote for each item proposed, and the Board of Directors should not bundle many unrelated businesses for approval in one resolution. In addition, there will be separate voting in each item where there are several items into the same vote; for example, election of directors.
- The Company appoints an independent party of scrutineers/inspectors to count and/or validate votes at the annual general meeting or extraordinary meeting of shareholders. This scrutineer shall be disclosed at the meeting and recorded in the minutes.
- For the sake of transparency and inspection, the Board encourages the use of voting cards for important agenda items such as related party transactions or disposal of significant assets.
- The Board make publicly available on the Company's website by the next working day the result of voting during the annual general meeting or extraordinary general meetings of shareholders for all resolutions.

## **Chapter 7    Equitable treatment of shareholders**

The Board of Directors provides convenience at the shareholders' meetings with equal treatment for all, and nothing shall limit the information of the Company and the attendance into the meetings of the shareholders.

- The Company shall release its annual general meeting's notice, with detailed agenda and explanatory circulars from the Board to the Stock Exchange of Thailand and disseminate them through the Company's website at least 30 (thirty) days before the date of the meeting. Moreover, the Company's

notice of shareholders' meeting will be fully translated into English and published at the same time as the local language version. The Company will deliver an invitation letter to attend the meeting to shareholders at least 7 days before the meeting date or as required by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

- The Company shall inform the shareholders of the meeting procedures and voting criteria, including the voting rights attached to each class of shares. If a shareholder who is in a management position shall not add any agenda item which is not being notified in advance, especially if it is an issue that will require shareholders to spend a good deal of time to study before deciding.
- The Board pre-determines the criteria on allowing minority shareholders to clearly propose any agenda item in advance of the meeting date, in order to indicate equitable and transparent measure whether or not such proposed item will be added. The Board also establishes procedures for the nomination of director candidates by minority shareholders via the Company's nomination committee 3 to 4 months prior to the meeting date, together with supporting information on the candidates' qualifications and their consent.
- The Board allows the shareholders to vote on individual nominee in election of directors.
- The Board has adopted a policy that requires any director having an interest in any agenda to refrain from attending the meeting in that agenda. The directors are to report their interests at least before the agenda starts which shall be recorded in the minutes of the Board of Directors' Meeting.
- The Company has a policy to continue executing connected transactions carried out at present in the future, subject to the corporate governance principle where conditions of the transactions will be aligned with ordinary course of business and at a market price which can be comparable to a price offered to the third party. In addition, the Audit Committee will take part in the process to review the soundness of the connected transaction's price and its rationality.
- The Board of Directors will comply with the laws on securities and exchange as well as regulations, announcements, orders or requirements of the Office of the Securities and Exchange (SEC), the Capital Market Supervisory Board and the Stock Exchange of Thailand (SET) when executing a connected transaction possible taking place in the future. The Board will also comply with requirements to disclose information of connected transactions to be happened in the future which will remain relatively the same as present. However, the volume may be subject to change based on necessity and suitability to the business of the group of the Company.
- If the Company or its subsidiaries execute a connected transaction with a person who may have a conflict of interest, a stake holding or a conflict of interest in the future, the Company will have the Audit Committee to express its opinion regarding the transaction's necessity and soundness. If the Audit Committee doesn't have any expertise to review such connected transaction, an independent expert or

an auditor of the Company will provide an opinion instead for the Board's or the shareholders' decision-making process, as the case may be. The Company will disclose the connected transactions in notes to the financial statements as audited or reviewed by the Company's auditor.

- The Board establishes written procedures concerning the use and protection of inside information and communicates them to everyone in the Company to follow. Every director and executives regularly submit to the Board a report on their ownership of the Company's shares and this information will be disclosed in the Company's annual report.

## **Chapter 8 Role of the stakeholders**

- The Board of Directors is aware and gives confidence that the stakeholder of the Company will be treated carefully.
- The Board of Directors should report a non-financial data that shows the stakeholders are taken care and considered well in making a decision of the Company.
- The Board of Directors should fully specify who the stakeholders of the Company are and rank their priority for consideration without any mistake or failure in business operation at the end.

The roles of the stakeholders of the Company are segregated as follows:

### **8.1 Responsibility for the shareholders**

The Company is determined to be a good representative of the shareholders in doing business in order to create highest satisfaction for the shareholders, considering the value growth of the Company in the long term and a good return on investment continuously at suitable levels. It shall carry on business transparently and create confidence of the accounting system. To comply with said principles, the Company embraces these guidelines:

#### **8.1.1 The Company's growth of value in the long term;**

- It performs the duty with integrity and fairness to the major and minor shareholders for overall maximization.
- It manages by using the knowledge, ability and skill in full capacity, including carefulness and prudence in the decision-making in any cases.
- It shall not do anything to cause conflict of interest to the Company.

#### 8.1.2 Disclosure of information

- It reports the status and the future trend of the Company to the shareholders equally, regularly and fully as it actually happens.
- It shall not seek any benefit for self-interest and to any involved persons, using any information of the Company not being disclosed to the public.
- It does not disclose any confidential data to outsiders, which may cause adverse effects to the Company.

### 8.2 Relationship with the customers

The Company is determined to create satisfaction and confidence with the customers to receive the good products and service with the quality at the suitable price, including maintaining good and sustainable relations, so it has set the guidelines as follows:

- 8.2.1 Producing quality goods and service with determination to develop the standard of the goods to have higher quality continuously, and revealing the information on the goods and service correctly and completely without distortion of facts and keeps up-to-date.
- 8.2.2 Providing warranty on the goods and service under suitable conditions.
- 8.2.3 Introducing the system for the customers to make complaint on the goods and the service, and operating the best for the customers to receive quick response.
- 8.2.4 Not making excessive profit compared with the quality of the goods or service in the same type or kind, and not specifying any trade conditions that are unfair to the customers.
- 8.2.5 Complying with the terms and conditions provided to the customers strictly, and if it cannot be done, notifying the customers in advance to consider a joint correction.
- 8.2.6 Keeping the confidentiality of the customers seriously and constantly, including not using for self-interest and for the involved persons illegally.

### 8.3 Relations with its trade partners, competitors and creditors

The Company shall consider the equality and integrity in the business operations and the joint interests with its trade partners in compliance with the laws and rules strict manner and good ethics in the business operations. While the business is in competition, the Company shall adhere to the rules on good competition, and the Company will comply with guidelines and fairness in borrowing money from the creditor and repayment. In order to comply with said principles, the Company has specified practical guidelines as follows:



**8.3.1 Relations with the trade partners**

- It shall not demand or receive or pay the benefit of any kind in bad faith to or from its trade partners.
- It shall comply with the existing conditions strictly with partners.
- In case of non-compliance with the conditions, it shall notify the trade partners in advance to jointly find the guidelines on solving the problems with justification.

**8.3.2 Relations with the trade competitors**

- It shall comply with the rules on good competition.
- It shall not try to destroy the reputation of the competitor by slandering with baseless allegation.

**8.3.3 Relations with the trade creditors**

- It shall maintain and comply with the conditions with the creditors strictly on repayment and care of securities, guarantees and other conditions, including not using the funds received from loans to be contrary to the objective in the agreement made with the lenders.
- Report the financial status to the creditors with honesty.
- Report to the creditors in advance if it cannot comply with the obligations in the contract, and try to find guidelines on a joint solution.

**8.4 Responsibility for the employees**

The Company shall regard the employees are a factor to its success, so it determines to develop, create culture and good atmosphere, including promote teamwork for confidence of the employees and that they can do sustainable work with the Company. The Company specifies the guidelines as follows:

- 8.4.1 The employees to receive fair remuneration in the form of salaries and/or working compensation, including the various fringe benefits.
- 8.4.2 To provide cares for the working condition with safety for the life and property of the employees.
- 8.4.3 To appoint and transfer, including to present rewards and make disciplinary action with equality, honesty and justification based on the knowledge, ability and suitability, including the conduct or performance of the employees.
- 8.4.4 To do priority on development and transfer of knowledge and ability of the employees by giving opportunity to the employees widely and regularly.

8.4.5 To listen to the ideas and propositions from the employees at all levels equally and equitably.

8.4.6 To comply with the laws and regulations concerning the employees strictly.

8.4.7 To manage by avoiding anything unfair, which may have effects on the duty stability of the employees.

8.4.8 To treat the employees with politeness and respect equally for everyone.

8.4.9 To encourage the employees to have an opportunity to notify on illegality of the Company by reporting to the superior or the audit committee.

## **Chapter 9 Disclosure of the information and transparency**

The role of the Board of Directors concerning the disclosure of information and transparency:

- The Board of Directors has the duty to disclose information on financial and non-financial report sufficiently, reliably, and in time for the shareholders and the stakeholders to receive the information equally as prescribed by the law, regulation and the public sector involved.
- The Company should prepare the corporate information carefully, clearly, and compactly, using simplified language with transparency and shall regularly disclose important information on both positive and negative sides which carefully not to cause users misunderstanding and confusion of factual information. The Company shall pay more concentration on contents rather than format and shall specify important information or relevant assumption in completion.
- The Company shall provide an investor relations unit to publicize/communicate informative data that is beneficial to the shareholders, the investors, the securities analysts and the involved persons to obtain the information of the Company.
- The Board of Directors should provide sufficient resources to help develop capability of the management in presenting information and communications.
- In addition to disclosing information as specified in regulations of the SET, annual statements (Form 56-1), and annual reports, the Board shall disclose information, both in Thai and English, via the Company's website. All disclosed information will be up-to-date with the minimum information as follows:
  - Objectives of the Company.
  - Financial status and operation results of the Company (the current and the previous year).
  - Direct and indirect shareholding structure and the right to vote.
  - List of the directors, committees, the senior management and their remuneration.
  - Factors and policies on risk management that is visible, concerning the operations and finance.
  - Issues with essence concerning the employees and the stakeholders.

- The Board encourages the company to make a Management Discussion and Analysis (MD&A) for each quarterly financial statement, to help investors better understanding of changes in the Company's financial status and performance in each quarter, not to be presented only with the figures in financial reports.
- It should disclose in the annual report on the number of times that each of the directors and/or the sub-committees attending the meetings, compared with the number of times of the Board meetings and/or the sub-committees in each year, including the ongoing professional education or training of its directors, which are disclosed in the annual report.
- The Board should ensure that audit and non-audit fees are disclosed.

## **Chapter 10 Responsibility for the society and the environment**

Having a vision to be a business with social and environmental responsibility, the Company has set up a working committee to oversee environmental management issues when conducting business. A social responsibility strategy has been concretely adopted to maximize the management of various projects by improving environmental protection processes and practices and by conducting an environmental impact assessment before a project starts. The Operation Department may directly report the Corporate Governance, Nomination and Remuneration Committee when necessary. and the performance report must be reviewed at least once a year. In addition, a business review will be conducted from the perspectives of social responsibility, risk assessment and effects to sustainable growth where plan and practices to respond to the issue of social responsibility will be strategically adopted. Moreover, in each year the Company will arrange the seminar to provide knowledges to the Company's personals about the policy of social responsibility and the environment.

The Company and its subsidiaries are responsible for pursuing business on the basis of policies and plans adopted within the framework of social responsibility and are also responsible for strengthening our knowledge and understanding within the responsible context through the monitoring and the reporting. As a result, the Company has come up with the following practices with a view to pursue a sustainable business development:

- 10.1 By using a benefit from natural resources, the Company will consider the option with minimum impact on the society, environment and life quality of the people.
- 10.2 To support the creative activities for the society and environment regularly from the Company's profit.
- 10.3 To inculcate the conscience of social responsibility and the environment among the employees at all levels continuously and earnestly.
- 10.4 To give priority of all transaction deal with the trade partners who has the same goal in society and environment.

- 10.5 To treat and cooperate or control for strict treatment, according to the intention of the law and regulations, issued by the corporate governance section.
- 10.6 The Company regards it as a main duty and policy to give priority to the activities of the community and society, aiming for development of society, the environment, creativity and conservation of the good natural resources, including to support education to the youth and public activities that benefit the deprived communities to be stronger, self-reliant, and to be under the self-sufficient economy with creativity to skill and development of occupation to the general communities.

## **Chapter 11 The anti-corruption**

To assure that the Company has put in place appropriate policy, practices and requirements to prevent corruption possibly incurred from the business activities and to encourage thorough decisions and actions that could potentially be exposed to corruption risk, the Company has adopted an anti-corruption policy in writing as a clear practice for the operation and for sustainable corporate development. Moreover, in each year, the Company will arrange a seminar to provide knowledges to the Company's personnel about the policy of the anti-corruption.

### **Roles and Responsibilities**

1. The Board of Directors has roles and responsibilities to adopt a policy and to supervise a system that will effectively support anti-corruption practices. This is to create awareness among the management on the importance of this practice and thereby to promote it as a corporate culture.
2. The Audit Committee has roles and responsibilities to audit financial statements and the systems of financial and account reporting, internal control, internal audit and risk management for compliance with international standards while making sure that they remain precise, sound, sophisticated and effective.
3. Managing Director, the management and executives have roles and responsibilities to set up a system that will help supporting and communicating an anti-corruption policy to employees and related parties. They are also to review the soundness of the measures to reflect business, legal and regulatory changes.
4. An internal auditor has roles and responsibilities to audit and review compliance with policy, practice, authority and regulatory rules and laws to ensure that the Company has indeed an adequate and appropriate system against potential corruption risk. The internal auditor directly reports to the Audit Committee.

**Practices**

1. Directors, executives and employees at all levels are to comply with the Company's anti-corruption policy where they shall neither directly nor indirectly be involved in corruption.
2. Employees must not remain ignorant if witnessing action potentially qualified as corruption in relation to the Company. They shall report the incident to supervisors or responsible persons and cooperate with the examination process. In case of doubt or question, employees should consult with supervisors or persons designated to be responsible for such policy compliance through available channels.
3. The Company will protect and fairly treat employees who report or refuse to be involved in corruption in relation to the Company through measures designed to protect whistleblowers of corruption.
4. Corrupting is an offense and is subject to disciplinary actions based on the Company's regulations. Besides, corrupted persons may be subject to legal punishment if the action is found illegal.
5. The Company underlines the importance of disseminating anti-corruption information and knowledge and making the third party collaborating with the Company or whose action could affect to the Company comply with this anti-corruption policy.
6. The Company commits to promote and nurture the corporate culture that corruption is unacceptable when conducting transactions with either the public or private sectors.

**Reporting of grievances and whistle-blowing**

The Board of Directors has adopted whistle-blowing or grievance measures which allow employees or stakeholders to file complaints against legal violation, corrupted malpractice or improper behavior of the Company's personnel. In addition, measures to protect them are also adopted to enable stakeholders to effectively help protecting the Company's interests.

Issues to be reported

- Legal violation, corruption against the Company's regulations or wrongdoings committed by the directors, executives and employees.
- Unusual items in financial statements or defected internal control system.
- Matters that could jeopardize the Company's interests or reputation.

Channels of Grievance

Company's website: [www.jck.international](http://www.jck.international)

Email: [cs@jck.international](mailto:cs@jck.international)

Address: JCK International Public Company Limited

18, Soi Sathorn 11, Yaek 9, TFD Building, Kwaeng Yannawa,  
Sathorn District, Bangkok 10120

Tel: 0-2676-4031-6

All grievances will go through independent directors or members of the Audit Committee for investigation of the matter based on a process already adopted by the Company before reporting the result to the Board.

#### Whistleblower Protection Mechanisms

- A database of confidential information received from whistleblowers will be established. Only executives from Deputy Managing Director level and above will be authorized to access the database.
- It's the duty and responsibility of supervisors and heads of the person whose action is reported to protect whistle-blowers, witnesses and collaborators from being exposed to danger, threat or injustice resulted from such reporting, from being the witness or from confiding the information.

### **Significant Company's Policies**

#### **1. Policy on Human Rights and Human Resources Management**

##### **(1) Human Rights**

The Company respects rights of employees and other interested persons without prejudicing to treat them on their own attitude, point of views, ethnics, skin tones, religions, genders, sexual favors, nationalities, ages, handicapped or any status that is deemed as the rights of human. The Company shall implement and apply reasonable human right's standards to every business transaction and shall concentrate on eliminating unfairness, selective treatment, threats and all other violation of rights. The Company shall not hire any illegal young labors, force labors or slaves or forced overtime labors. The Company shall not hire any person of age lower than 16 years old, and underage labors shall not be absolutely hired, except for the case of compliance in legal and requirements on ages, hiring hours, remuneration payment, health and safety.

##### **(2) Human Resources Management**

The Company considers all employees as core resources that bring success, progress and sustainable growth to the Company through their teamwork and dedication. The Company aims to elevate the employees' capabilities to excel their performance by developing them in knowledge management and working culture and to providing them with sufficient and modern tools and equipment and competitive remuneration and welfare as those in the same business nature. The Company shall also create good working condition and environment and safety. The employees will work with integrity, concentration, dedication and compliance

with the Company's interests being upheld. The management shall be responsible to manage human resources for utmost efficiency, performance and interest.

Factors of the policy to be used as guidelines are as follows;

**(2.1) The policy and guidelines in relation to human resource recruitment**

(2.1.1) The Company has a policy to promote progress of work for employees in all respect by which any vacancy of work position in the Company or its affiliate shall be initially recruited internally.

(2.1.2) The Company will not support any utilization of human resources on unnecessary basis. Therefore, any new recruitment shall be in compliance with the manpower plan both in quantity and quality as approved by the approving authority only.

(2.1.3) In recruiting personnel, the working unit and the responsible person shall consider.

- a long-term necessity for the Company relating to skills, consciousness, attitude and behavior of personnel to be filled in any vacancy.

- a possibility and difficulty in developing personnel to fill into the position as required by the Company in long-term considering from a knowledge basis and potentiality of that personnel to fill into.

- The recruitment process shall be fair and transparent in every step.

(2.1.4) In recruiting personnel with qualification to match suitably with the manpower plan required by the Company, the working unit and the responsible person shall do as follows.

- For the Company's employees, there shall be a process to monitor and study work performance assessment in a proper system and proximity by regularly consulting with the head of unit.

- For the new recruitment, there shall be a long term and proper advance preparation.

**(2.2) The policy and guidelines on the progress of work of the employees**

(2.2.1) The Company has a policy to promote the employees for their success, progress and growth along with the Company.

(2.2.2) In obtaining a professional progress, the employees shall be responsible for their self-development with the support from the superior in providing information and suitable and possible guidance on the basis of the Company's need.

(2.2.3) The Company shall implement activities that support the employees' progress such as promotion, relocation, conference and training, special assignment and succession plan for instance.

**(2.3) The policy and guidelines on the employees' remuneration**

(2.3.1) The Company shall provide to the employees a remuneration payment system together with other benefits related to the employees' working on a fair and motivating basis comparable to those of leading

group of business of the same class and other related businesses. The working unit and the management being responsible for the remuneration administration shall make a frequent survey in the market place as necessary.

(2.3.2) In administration of the remuneration system, the financial capability and performance of the Company and the employees' capability and their performance shall be brought into consideration.

(2.3.3) The Company expects that the employees will be aware for their plans on quality of life. The Company, therefore, supports on the saving of the employees when they retire by setting up a provident fund for such purpose and the Company has contributed a portion.

(2.3.4) The Company provides welfares for the employees as deems necessary and appropriate in order to be as a support and security to the employees as much as possible. The Company expects that the employees will pay attention to and plan for their life for good health of their own and their families.

#### **(2.4) The policy and guidelines on the employees' development**

(2.4.1) The Company intends the employees to have working capability and skills to be as those of a leading group of business of the same class and similar. The Company will, therefore, promote and support the employees' development in every aspect regularly in order to achieve said goal.

(2.4.2) Every employee and superior in any level shall realize the essence of attending the seminar and the training, and the employees shall attend the seminar and training as specified by the Company.

(2.4.3) The Company requires the employees to have willingness and strive for increasing their knowledge and skills regularly for sake of their own development.

#### **(2.5) The policy and guidelines on work performance evaluation**

The Company has an intention and a clear policy to provide a work performance evaluation system for the employees on an ethical and fair basis in order to maximize motivation of the employees' working performance.

#### **(2.6) The policy and guidelines on discipline and complaint**

(2.6.1) It is a duty and responsibility of all superiors to supervise and control the employees under his/her supervision to strictly comply with the discipline in order to prevent any fault or serious mistake to their work, other employees or to the Company.

(2.6.2) The employee who commits disciplinary fault shall be subject to disciplinary actions as appropriate in order to prevent a reoccurrence or more serious fault. Said disciplinary action shall be taken without malice, slander or unfair treatment.



(2.6.3) A violation in discipline, even it is the same mistake, may generate a different penalty if that mistake is a reoccurrence or committed by willingness or create impact or likely to materially affect the Company in a different way.

(2.6.4) The employee shall act in compliance with the behavior standards as regulated by the Company. Any employee who is non-compliant shall be warned by the superior or subject to disciplinary actions pursuant to the Company's policy and working regulations or guidelines as specified.

## **(2.7) The policy and guidelines on the termination of employment**

(2.7.1) The employment status of an employee shall be terminated when

- decease
- resign approval
- resign approval before retirement
- disqualified or prohibited as specified
- retire
- terminate of employment

(2.7.2) For the termination of employment, it is a duty of the line superior to inform the employee under his/her report on the cause and the background for said termination of employment.

(2.7.3) The Company shall consider any benefits to be derived by the employee when his/her employment is terminated in conformity with the laws, regulations and policies pursuant to the cause of said termination.

(2.7.4) In order for the Company to be in competitiveness with other business, the Company may abolish or terminate any position that is deemed unnecessary or the employment of that position which is not performing.

## **2. Policy on Accounting and Financial Reporting**

### **(1) Accuracy of the Company's Records**

The record of the Company's businesses is essential for accounting and financial reporting which has to be accurate, timing, reasonable and reliable for submission to the management, shareholders, investors, governmental agencies and other related person. Therefore, it is important that all levels of personnel must strictly comply with accounting and financial control procedures, regulations and internal control system as well as accounting and financial requirements of the Company as follows.

(1.1) All business transaction of the Company must be recorded accurately and inspected without limitation or exception in any respect.

(1.2) Any accounting records and business records must be true without distortion or false statement regardless to whatever purpose.

(1.3) Every level of employees shall conduct business transaction to be consistent and conformed with regulations and requirements of the Company with a complete supporting documentation for all entries to the Company's business records. A sufficient and suitable information shall be timely supplied to a recording personnel who has a duty to record, prepare and assess the accounting and financial reports in order that he/she shall be able to record and prepare all types of the accounting and financial record of the Company into the accounting system with accurate and complete details.

## **(2) Accounting and Financial Reporting**

The personnel who has a duty to record, prepare, assess and maintain information and/or all types of accounting and financial records of the Company shall always realize that the Company pays high respect with accuracy of all records for accounting and financial reports preparation by using appropriate accounting policy and regularly conducting and complying with generally accepted accounting principles and disclosing sufficient important information and in accordance with the Company's accounting and financial requirement that

(2.1) All employees shall not distort information or make false statements whether or not they are business information relating to accounting or financial or information on operation;

(2.2) All employees shall realize that the accuracy of accounting and financial reports are joint responsibility of the Company's Board of Directors, management and the personnel who is responsible in accounting and finance.

(2.3) All employees who are involved shall be responsible in preparing and/or providing the business information records.

## **(3) Legal Compliance**

(3.1) The personnel in all levels shall comply with regulations and related legal requirements in order to ensure that accounting and financial records of the Company are accurate and complete as well as the performance in their other responsibilities.

(3.2) The personnel in all levels shall abide with honesty, without prejudices, and with integrity in keeping records. Said integrity means to include non-involvement in any illegal or unethical activity.

(3.3) The Company absolutely prohibits to record false statements or an intention to create misunderstanding records.

### **3. Policy on Internal Control**

#### **(1) Objectives of the internal control**

“Internal Control” is the process of working or implementing the job that the board of directors and personnel of all levels of the Company have provided for reasonable assurance on the operations of the Company to achieve the following objectives:

- The operations shall have efficiency and effectiveness by achieving the goal of the Company, including caring not to lose or misuse the assets.
- The financial reporting must be accurate, reliable and in-time presentable.
- The implementation and compliance requirements shall be performed strictly under the rules, regulations and the laws of securities and the Stock of Exchange of Thailand, or the laws relating to business of the Company.

#### **(2) Importance of the internal control system**

The internal control system is the important mechanism that provides reasonable assurance to the management.

- To reduce business risks.
- To do business effectively with suitable allocation of the resources and to achieve the established goals.
- To prevent missing, damaging or losing of assets from any corrupt practice.
- To assure the accuracy and reliability of the financial reporting.
- To support the personnel to adhere to the laws and rules involved.
- To provide protection on the investment of the shareholders.

The internal control is the main factor behind the success of all business either in government or private sectors. No matter what the business classification is, the management, as the leader, must perform their duties not only to properly set up various elements and environment of internal control within their units, it should also:

- Create mind-set and encouragement to subordinates of all levels to realize the importance of constant and continuous coordination and adherence to the measures and mechanisms of the internal control system set up by the management to achieve the established objectives.
- Regularly monitor and evaluate the result of internal control in order to obtain suitable strategies and mechanism under the variation in difference circumstance of risks.

The internal control, regardless of design or implementation, shall give only confidence at the reasonable level as it can be protective from loss, waste or the operation will be accomplished and become effective. However, it can not assure or give confidence of the business success, because the internal control has several limitations, which mostly involving with the human behavior.

### **(3) Policy on internal control of the Company**

The Company emphasizes that its management must be aware of the importance of internal control which is adequately efficient to acceptable risk level and suitable with the circumstances of the job or activity of that units. It divides the duties and responsibilities concerning the internal control of the Company as follows:

(3.1) The board of directors as well as the audit committee must perform their duties and responsibilities to provide the effective internal control system, to manage and control of risks in the suitable level and by specifying the policy concerning to the internal control system, risk management, and monitoring of the evaluation constantly whether or not the established system goes as planned. However, the audit committee has the duty to review that the elements of the internal control system of the five aspects are complied with effectiveness as follows:

- The business has good control environment.
- The business has proper procedure of risk assessment.
- The business has good control on activities
- The business has good system on information and communication.
- The business has good system on monitoring and evaluation.

(3.2) The management has the duty and responsibility to fulfill the policy which the board of directors has delegated, so the Company determining the management to treat the internal control as important. The management has the direct duty and responsibility to provide the internal control system in the Company, including works or various activities of all levels or latent in the business methods of the management function by:

- The senior management shall provide the internal control that covers all elements in the Company, encouraging the subordinates to have discipline and good conscience on the internal control.
- The middle management shall provide the internal control to their works with the responsibility to evaluate the efficiency of the internal control, adjust the system to be concise and review on its compliance.

(3.3) The employees of all levels must perform their duties in compliance with all laws, regulations, rules, announcement, policies, plans, measures, and the internal control system the management has established by focusing on the importance and conducting their duties consistently and regularly to ensure the efficiency of internal control system. As a result, the operations shall comply with the goal effectively and economically. All the employees must have the conscience to be aware of the importance of the internal control.

(3.4) For the internal control framework, the internal auditor has duties and responsibilities in evaluation of the internal control, and examination of the operating system, periodically and regularly in order to assure that various control measures are suitable with all significant situation, circumstance and incidence of risk. The internal auditor shall recommend the senior and middle managements in order to provide the efficient internal control measures for the company's business units, which shall become as a policy that the internal auditor shall be independent in conducting appropriate examination as he/she deems suitable in accordance with the professional standards of internal audit.

- The internal auditor has the right to request for checking the assets and activities, including the books, accounting, supplementary documents on the records and bookkeeping, correspondences and reports involved.

- The internal auditor can ask the audited units to give data, explanations and delivery of the documents on the audited matters.

In this regard, the personnel of all levels must provide full cooperation and to provide the completion of information needed by the internal and external auditors which their duties is examination and evaluation to ensure that the internal control sufficient and effective as intended to respond with the company goal, and give recommendation for improvement, as it deems appropriate.

#### **4. Policy on Risk Management**

In the conduct of business, the Company has to confront several risks and uncertainties which can materially affect its incomes, profits, assets, liquidity and share price. Since today's connection between financial and economic activities has been very sophisticated, the Company therefore has to adjust itself to face with economic dynamism that could affect the Company's business direction, strategy, decision-making and its operation. As a result, to minimize business volatility, the Company has adopted an integrated risk management process in writing covering product risk, income risk as well as risk from natural disasters,

competitions, finance and lending both at the management and operational levels to be used as the direction in order to significantly achieve its goals and targets.

Aside from these risks, there could be other risks that the Company is not aware of or cannot yet identify at the moment. In addition, certain risks that it believes having no material effect at the moment may become significant in the future. The stakeholders should, as a result, consider both the impacts and possibilities and other possible risk factors that the Company may confront aside from those stated here.

(1) Employees at all levels shall be responsible for risk management. They must be aware of operation risk both in their functions and within the organization where risk management shall be determined how it should be managed at an appropriate and sufficient level.

(2) The Company shall promote and support risk management to be as an important tool to manage the Company. The risk management system shall be a part of a decision-making process, strategic planning as well as the Company's action plan and operation. The risk management system shall also be directive for the Company to achieve its objectives, goals, visions, mission and strategies. Personnel of all levels must understand and collaborate in the implementation of risk management for a good corporate image, to strengthen its corporate governance (CG) practice and operation excellence and to create confidence of shareholders or stakeholders.

(3) Financial and non-financial causes of risk that could affect the Company shall be identified and risk shall be assessed whenever there is a change of risk factors affecting the Company's investment funds.

(4) Types of risk and acceptable levels of risk shall be identified for use as criteria to respond to the Company's risks.

(5) Risk prevention and mitigation guidelines shall be adopted to avoid possible damage or loss. In addition, the Company shall regularly monitor and evaluate risk management results quantitatively and qualitatively for better accuracy.

(6) The Company shall introduce a sophisticated information technology (IT) system to manage the Company's risks and it should enable personnel at all levels to extensively access risk management information. Besides, the Company should put in place a risk management report mechanism to allow the Board to efficiently manage the Company's risks.

In addition, the Company has determined roles and responsibilities and approval authority regarding risk management. It has already posted the risk management policy and procedures on its website for ever work units to acknowledge and conform. Besides, a risk management report has been prepared and submitted to the Board for refinement of the Company's risk management plan.

## **5. Policy on Conflicts of Interest**

### **(1) Policy on conflicts of interest**

The policy of the Company related to conflicts of interest is based on the principle that any decision-making of the personnel at all levels for business activities must be for the best interest of the Company. Said decision shall be made free from influence of personal gains, including those for family tie or close associates that may affect the decision-making to decide which the best interest of the Company is. Especially for all personnel to work full time for the Company in full capability, they should not have interest in other business outside the Company which may lead to take the working time off or detract dedication to the duty or responsibility for the Company and may cause damage to it.

The conflicts of interest will happen when the personnel of all levels, or their family ties or close associates gain the personal interest, whether on financial or any other matter in activities which may receive interests from the decision-making of that person in performance of his/her duty to the Company or access to its activity or future plans.

The Company deems to be the duty of personnel of all levels to avoid having involvement in finance and/or relation with the outsiders, which may result the Company to lose interest or cause conflict on loyalty or interest or obstruction of effective performance.

The Company has the policy to safeguard its justified interests, while at the same time to have a minimum limit on the scope of freedom in various activities of the personnel of all levels.

### **(2) Examples of the situations on conflicts of interest**

The personnel of all levels should take the following circumstances as guidelines for their self-interest and consider them as important matters for working. Disclosure and consultation in steps will help solving problems or leading into further appropriate solutions. If any doubt exists, employees are to seek guidance from their management or

#### **(2.1) General investment**

The general rule of this matter is that the personnel of all levels, their family members or close associates must not hold the shares or receive any interest from the competing companies or any enterprises,

including the customers, trade partners/sellers that the Company has contact. The purchase of shares of the listed companies in the SET or investment via the mutual fund or investment units is not conflict of interest, as long as it does not affect the performance with the Company.

(2.2) Supply of goods and services to the Company

The conflict of interest may arise if the personnel at the level, their family members or close associates are the suppliers of goods or service to the Company as a trade partner/seller and if that person can lead or have influence to said operations, although no duty involved in the business operations of the Company with that business dealing.

In the event that the personnel of all levels of the Company have a family member or close associate as an employee, owner, customer, trade partner/seller or competitor, and that person participates in the decision-making dealing with the business related with that enterprise, it shall be regarded as conflict of interest.

Likewise, if the customer, trade partner/seller or employee of a competitor has a family member as employee of the Company, then it is not appropriate to authorize that person the power to influence on a decision-making in the Company's activity involved with the family member.

The Company shall not buy or lease property, equipment, raw material or use service from an employee of the Company, his/her family member or close associates, and will not sign a contract for that matter (except the employment contract), unless it is a special case and approved in writing from the Managing Director.

(2.3) Entertainment and gifts

The personnel of all levels should not accept any entertainment, gifts, passenger tickets, sports tickets and other tickets or any offers for recreation or entertainment or offers that are personal matters involving their duty in the Company, if such action can lead to binding the Company or cause them to be put in the situation of conflict of interest.

(2.4) Accepting academic task as a lecturer or public service or any positions

The management and employees can participate in outside activities with appropriate reasons. In several cases, the Company encourages its personnel to participate in external activities as it deems those activities may expand the perspective and experience to its personnel, which may help to improve the job of these personnel to the Company. The personnel who accept the jobs in professional institutions as lecturers, public service or offices such as a director, consultant, etc. must ask for approval from the Managing Director before taking acceptance of the job or title. The employees who have received approval should always realize that they would not bring the Company or his/her title to bind the outside activity, except by approval to do so.



In the event that the management or employee is appointed the secretary of any committee of the Company or an agent in the management of a project or a director in a joint venture or subsidiary of the Company, this shall not be regarded as a conflict of interest.

**(3) Definitions**

“Family members” means the persons with relation to the personnel of all levels from the bloodline or legal marriage, including legally adopted persons.

“Close associates” means the person with involvement with the personnel of all levels in any relations closely.

**6. Policy on Confidentiality****(1) Protection of Company’s Confidentiality**

(1.1) Directors, management personnel and employees of the Company will sometimes have to deal with data and documentation that will not be disclosed to third parties and/or is classified as a trade secret. The protection on the kind of data is vital to the Company’s success in the future as well as to the security of everyone at work.

(1.2) Personnel in directorship, management and staffs have a duty to accept legal obligations and ethical standards not to disclose any data and documentation that are classified as confidential or trade secret for duration of two years after their employment is exited.

(1.3) Every personnel are required to understand data protection procedures that are developed to protect data that is confidential and to prevent the confidential data to be disclosed without intention.

**(2) The Type of Confidential Data**

(2.1) A trade secret is internal confidential data of the Company which shall be protected and not to be disclosed to public. Sensitivity of those confidential data can be segregated into several types from minimum to maximum, for example a type of information designated as “Disclosable”, “Classified”, “Confidential”, and “Strict Confidential”.

(2.2) The mutual use of internal data shall be in a measure that is assigned to his/her duty and responsibility only.

**(3) Measures for Data Release to Public**

(3.1) Any data that will be released to public shall be approved by Managing Director by which the Managing Director will release it by himself or assign someone to release or answer.

(3.2) Data relating to other co-investors shall be approved by the co-investors.

(3.3) A central office that will release data to public is Office of the Managing Director and Office of Investor Relations and an internal office will act for correspondence to staffs.

(3.4) The office holding the data will provide fact sheet and coordinate with Managing Director, the Office of Managing Director and the Office of Investor Relations before public release.

**(4) Public Release**

There shall not be any public release or opinion to public. In case any third party asks a question, the personnel shall ask himself/herself if he/she has a duty to provide the answer. If it is not the duty, the refusal shall be politely presented and advised to further contact the Office of Investor Relations.

**7. Policy on Security Trading**

(1) The Board of Directors and designated management, which include their spouse and children who have not reached legal age, have a duty to report the holding of their security in accordance with regulations issued by the Stock Exchange of Thailand (SET) and the Stock Exchange Commission (SEC) in which the Company rules that the directors and high-level management personnel shall report their security trading to the Commission at least 1 days prior to the trading date.

**(2) Insider Trading**

As a listed company in the Stock Exchange of Thailand (SET), the Company shall conduct any measure equally and fairly to all shareholders. In order to prevent any illegal act by all levels of personnel of the Company as well as their family members who receive or likely to receive any insider information that has not yet revealed to public, the Company therefore prohibits those persons to buy or sell shares of the Company, or invite other persons to buy or sell or propose to buy or sell shares of the Company whether by themselves or through any broker while that information is still under their custody without public release. The Company and the Stock Exchange of Thailand (SET) hold that the transaction for such stock buying or selling is speculation or creation for advantages to any group.

(3) Preventive Measures

To ensure compliance with applicable policies, the Company shall implement the following.

(3.1) Limit accessibility to non-disclosed information to public and allow for only related and necessary persons to access.

(3.2) Set-up a security system in working places to protect information files and classified documentation.

(3.3) Retain the owner of non-disclosed information to public to control the personnel related to that information to be in compliant with the strict preventive measures.

(4) Penalty for Insider Trading

A violator of the policy will be resulted in disciplinary action and/or legal action as the case may be.

## **8. Policy on Information Technology and Telecommunication**

The Company's information technology is essential to support the Company's business. The use of information technology and telecommunication is joint responsibility of all personnel to use it in an appropriate manner consistent with the Company's business policy and this policy.

### **(1) Security Protection of Information Technology**

The Company has arranged information and information technology which are essential for the personnel to utilize in the Company's business. Every personnel has a duty to protect and oversee those information and information system of the Company that are in their custody not to be utilized by outsiders without permission.

### **(2) Utilization of Information Technology**

Process control systems and computer devices are set to support the Company's business operations only. The employees shall not use the same for privately use or illegal acts. The Company reserves the right to suspend or inspect computer systems or other related equipment belongs to the Company if it appears a doubt in any conduct that may lead to any damage of the Company or other person. In order to utilize any process control system of the Company in a proper manner and not violate any other person's rights, all working units shall use the system and computer software that are procured rightly and in consistent with the Company's standards only.

#### (2.1) Internet Usage

- The access right to internet from the Company's information system is rightfulness to the Company in order to assign any person to use or not to use or to control the usage of internet from the Company's information system for the Company's utmost benefit.

- The employees shall avoid using any inappropriate internet sites or that of poor ethics and shall not disseminate contents from those internet sites to others. The Company reserves the right to close accessibility to those inappropriate internet sites and follow the employees' internet usage.

- Internet activities are deemed as public usage. The users shall consider the use with carefulness. Sending internet mails for any classified business information shall be properly conducted in consistent with the Company's standards.

#### (2.2) Electronic mail (e-mail) Usage

- The Company has provided electronic mail (e-mail) system for the Company's employees in all levels to use in communication for its business. Personal usage may be conducted as necessary but not for personal business purpose. The users shall contribute careful consideration in using the e-mail system that may affect to the Company's image or cause damage to the Company or violate the rights of or cause nuisance to others or is illegal or break morale.

- Sending e-mail through other person's name without permission is subject to disciplinary action.

- The Company reserves the right to examine contents in e-mails by personnel assigned by the Company in case where there is a doubt in any conduct that may cause damage to the Company or the others.

#### (2.3) Accessibility

- Only the assigned personnel shall be able to access to information or programs whether they are in the form of computer files or other forms. An attempt to violate the rights or other actions is subject to disciplinary action.

#### (2.4) Telecommunications Usage

- The Company has provided telecommunications system for the Company's employees in all levels to use in communication for its business. Personal usage may be conducted as necessary but not for personal business purpose. The users shall contribute careful consideration and ethics in using telecommunication devices that may limit the rights of or cause nuisance to others and shall consider business interests to the Company.

(2.5) Individual Rights

- The employees shall tribute ethical manner in using process control system and computer devices in the Company's network without violating rights of the others.
- The use of computer or other equipment in relation to the service of information technology or telecommunication devices are joint responsibility of personnel at all levels in order to use them in appropriate manners and reliable pursuant to the Company's business standards and in consistent with the policy and business conducts of the Company.

## **9. Policy on Non-infringement of Intellectual Property**

The Company does not support any conduct that is infringement of intellectual property or copyright which demonstrates the Company's intention to undertake business with fairness with following procedures.

- Any products resulted from working performance is fallen into the Company's intellectual property.
- Any products or information of a third party derived by or to be used within the Company shall be examined to ensure that it will not infringe intellectual property or copyright of the others.
- There shall be examination on procurement of computer systems up to installation to use and prepare software database or other computer programs currently used in the organization in order to ensure that all conducts are consistent with the law concerning computer offence B.E. 2560.

## **10. Policy concerning Quality, Safety, Health and Environment**

The Company undertakes real estate development business both industrial and residential sector with specially focus on quality, safety, health and environment. The Company commits to do every step to reduce and protect impacts on the quality, safety, health, environment and any operation of the Company to stakeholders, all of which will lead to customers' satisfaction, safety in lives and assets of workforce and public and creation of good social environment. To achieve the aforesaid, the Company has set operational outlines as follows.

- (1) The management and all employees shall implement quality assurance, safety, health and environment as a part of their work in order to generate efficiency, proficiency and highest working value.

(2) The management and all employees will adopt and strictly comply with the laws, policies, regulations and standards on quality, safety, health and environment.

(3) The Company will control and prevent any losses that may incur in any form due to accident, incident, injury or sickness from work, property loss or damage, violation on safety system, incorrect operation process and other mistakes, and protect working environment for safety to workforce. It is a duty and responsibility of management and workforce to report accidents and incidents in conformity with the specified measures.

(4) The Company will provide public relation and communication to create understanding and disseminate related information on policy, regulations, procedures and other warning notices on quality assurance, safety, health and environment to workforce, employees of contractors and related stakeholders for their proper compliance in order to prevent harm to health, assets and environment.

(5) The Company will promote and provide awareness on quality assurance, safety, health and environment to be normal way of life of the workforce.

(6) The Company will seriously and continuously participate in social responsibility on quality assurance, safety, health and environment by realizing the importance of environment and safety for related stakeholders as well as in promoting social activities in protecting environment and develop quality of lives in community pursuant to sustainable development.

## **11. Policy on Procurement**

### **(1) Policy on Supplies Procurement**

To implement the Company's supplies procurement in expedite, correct, save and reliable measures, the Company has therefore defined procedures in procurement of supplies to be in place with efficient process and standards consisting with the change in knowledge and business technology at all times. The following are policies specified to monitor work performance in every step and to clarify working procedures for the workforce to correct implementation.

(1.1) The supplies shall be procured with utmost benefit to the Company by being alert that requesting units need to obtain supplies right to their purpose without any environmental effect by considering policies on quality, safety, health and environment of the Company.

(1.2) The Company does not intend to take advantage from vendors, hence, the consideration in relation to procurement of supplies shall be taken not only for interests and damage which may be incurred to assets of the Company but interest and damage to be incurred to reputation and image of the Company to third parties shall also be taken into account.

(1.3) The procurement of supplies shall be opportunity reasonably open to all competitive vendors for interest of the Company based on the accuracy, fairness and validly sound collectively.

(1.4) The Company's regulations, policies and orders shall be followed in strict at all times.

(1.5) Advance planning for supplies procurement shall be implemented to avoid urgent procurement without reasonable.

(1.6) Procurement for supplies and services from Thai nationals shall be encouraged.

(1.7) Supplies procurement shall be systemized and complied with knowledge on tidy control and shall be promptly adjustable in consistent with changes in knowledge and business technology.

## **(2) Procedures**

The Company has a procurement policy under audit control pursuant to regulations specified by the Company for protection of the Company's interest with consideration on integrity, reasonable economy and fair treatment to vendors. The following are procedures to be used as outlines for implementation.

(2.1) The procurement for supplies

(2.1.1) The personnel shall do procurement with an important principle that is to obtain supplies/services with quality as demanded by users in timely manner and reasonable prices under clear, transparent and fair processes.

(2.2.2) The personnel will provide accurate, clear and complete information to vendors with openly procedures and provide equal opportunity to the vendors.

(2.1.3) The personnel will listen to any opinion or suggestion from the vendors in order to improve or correct problems at work.

(2.1.4) The personnel will keep any information derived from each of bidders or co-bidders confidential and not to disclose any prices or technical information derived from one vendor to other vendors for own benefit.

(2.1.5) An invitation to enter bid shall be for a purpose of fair competition to all bidders.

(2.1.6) Not to seek opportunity for gains from the vendors' mistake in proposal or their requirement.

(2.1.7) The procuring management shall use due consideration in providing consultation and suggestion to the procuring personnel and listen to their opinion.

(2.1.8) The procuring management will control and oversee procuring conducts for strict and standardized conformance. Failure to do so will result in further investigation and disciplinary action.

(2.2) Negotiation

(2.2.1) Negotiation is based on business relationship in contemplation to appropriateness between interest of the Company and fairness to the vendors.

(2.2.2) Negotiation will be done openly and documented and verified by the authorized person and/or the stakeholders.

(2.3) Relationship with Vendors

(2.3.1) The relationship will be laid upon the vendors as appropriate in business and with fairness.

(2.3.2) No demand to or acceptance from vendors of any assets or interests, whether directly or indirectly, to gain benefits between each other is allowed.

## **12. Policy on Business Conduct with Responsibility to Social and Environment**

By vision to be a company with responsibility on social and environment, the Company has established a working committee to develop a system for managing good environment at every section. A strategy on social responsibility is firmly created and covered in management of every project with highest efficiency. This includes improving working processes, procedures and measures to look after environment as well as to support in studying impacts to environment prior to commence any project of the Company. The operation section is allowed to directly report to Committee of Good Corporate Governance, Selection and Remuneration as deemed necessary. An annual report will be done at least once a year to review business conduct on the social responsibility perspective, risk assessment, opportunity that may affect sustainable growth as well as the guidelines and plans to reflect social responsibility strategically. The Company and its subsidiaries are responsible to undertake process in accordance with policies and guidelines on the context of social responsibility as well as to enhance knowledge and understanding in that context and to monitor and report the results for sustainable development. The Company has therefore specified the guidelines as follows.

### **(1) Business Conduct**

JCK International Public Company Limited conducts real estate businesses which can be divided into 6 categories from its core revenue businesses as follows,



1. Industrial estates
2. Sell and lease of land, ready-made standard factories, warehouses and management
3. Service business on lease of office space and asset management on real property
4. Contractor on building, design and construction control

The Company management is to conduct the businesses with standards of ethics and good corporate governance with open, transparent, just and verifiable together with mindfulness to social and environment. The Company opines that every organization should participate a part to assist and develop social and environment simultaneously with the growth target of business by developing mutual interests between the business and the social to support each other for growth. The Company has therefore arranged activities on Corporate Social Responsibility (CSR) to increase the social and environment into its businesses which will lead to its competitiveness, creation of reliability and acceptance of its businesses into society.

## **(2) Report on Sustainable Growth**

The Report on Sustainable Growth of JCK International Public Company Limited made annually during the period of the 1<sup>st</sup> of January to the 31<sup>st</sup> of December each year with contents covering the Company's policies and procedures on economic, social and environment. The annual report (Form 59-2) is made for a purpose of informing stakeholders on a strong intention of the Company in the social responsibility and business performance that is consistent with the Company's operation.

For specifying the material contents in the report, the Company has started to make it by a study, survey and analyze in order to develop businesses and corporate image to the public. Subsequently, the Company has prioritized essentiality starting from the "customers" in the first place as they will be affected both directly and indirectly from business undertakings of the Company. The "workforce" of the Company is the second priority because the Company holds the workforce as a vital moving force for the Company to deliver the qualified products and services with social responsibility, and it shall be pursued to other group of the stakeholders such as the shareholders, the vendors, the people and the community for instance.

## **13. Policy on Anti-Corruption**

Directors, executives and employees of the Company, subsidiaries and associates shall not execute or support any corruption no matter the case is, and shall strictly comply with the Anti-Corruption Policy. The Company shall provide the internal control to prevent and suppress any disloyalty or corruption within the organization, which covering all related business sectors and departments, as well as to review the principles and regulations of the Company to be in compliance with the change of business, rules, regulations and principles of the laws.

**(1) Roles and Responsibilities**

(1.1) The Board of Directors has roles and responsibilities to adopt the policies and systems that could effectively support the anti-corruption practices, in order to make sure that the management is aware and giving priority to the importance of this practice and thereby promote it as a corporate culture.

(1.2) The Audit Committee has roles and responsibilities to audit financial statements and the systems of financial and account reporting, internal control, internal audit and risk management for compliance with international standards while making sure that they remain concise, sound, sophisticated and effective.

(1.3) Managing Director, the management and executives have roles and responsibilities to set up a system that will help supporting and communicating an anti-corruption policy to employees and related parties. They are also to review the soundness of the system and other measures to reflect business, order, legal and regulatory changes.

(1.4) An internal auditor has roles and responsibilities to audit and review compliance with policy, practice, authority and regulatory rules and laws to ensure that the Company has indeed an adequate and appropriate system against potential corruption risk which shall be directly reported to the Audit Committee.

**(2) Practices**

(2.1) Directors, executives and employees at all levels shall comply with the Company's anti-corruption policy where they shall neither directly nor indirectly be involved in corruption.

(2.2) Employees must not remain ignorant if witnessing action potentially qualified as corruption in relation to the Company. They shall report the incident to supervisors or responsible persons and cooperate with the examination process. In case of doubt or question, the employees should consult with supervisors or persons designated to be responsible for such policy compliance through available channels.

(2.3) The Company will protect and fairly treat the employees who report or refuse to be involved in corruption in relation to the Company through measures designed to protect whistleblowers of corruption.

(2.4) Corrupting is an offense and is subject to disciplinary actions based on the Company's regulations. Besides, corrupted persons may be subject to legal punishment if the action is found illegal.

(2.5) The Company underlines the importance of disseminating anti-corruption information and knowledge and making the third party collaborating with the Company or whose action could affect to the Company comply with this anti-corruption policy.

(2.6) The Company commits to promote and nurture the corporate culture that corruption is unacceptable when conducting transactions with either the public or private sectors.

### **(3) Rule for the operation**

#### **(3.1) The political neutrality and political support**

- The Company is neutral in politic, which support and abide by the democratic administration. The Company does not have any policy to support any political institution neither directly nor indirectly.
- Directors, executives and employees have the rights and political freedom under the law, but shall not conduct in any manner that causes the Company to lose neutrality or to be damaged from the political involvement.
- Directors, executives and employees shall abstain from operating any political activity in the Company, including using the Company's resources for such operation.

#### **(3.2) The donation for charity or capital support**

The Company will support the communities and social in order to promote the quality of life, economy and strength, via the business procedures or via the donation for charity, which shall be used only for the public charity. Moreover, the capital support of the Company shall not be used as the excuse of corruption, and shall be supported with clear documentary evidence in accordance with the Company's regulation.

#### **(3.3) Gifts, Meals, Travelling, Event Hosting and Entertainment**

In practice, it is understood that to providing gifts, meals, event hosting and entertainment to the customers, suppliers and business partners with reasonableness and suitability will benefit to the goodwill of the Company and help strengthen business relations, which in some business cultures a small gift is something to be expected.

Nevertheless, the Company prohibits providing the gifts or services which are overabundant or improper. The providing of business hospitality, travelling, gifts, meals, and entertainment have to be suitable with the opportunity and be complying with the laws, policies and regulations of the Company. For instance,

even if it would be suitable and acceptable to provide the travelling expenses to the customers who have a company visit or to provide another facilities under the legitimate business purpose, such operating must be done with considerably carefulness, and the time of the visit have to be on the time that is necessary for such business purpose, as well as the travelling expenses must be reasonable and also be the actual expenses which related to the travel, while any expenses that not related such as the extent distance, shopping and other services shall be paid by the customers themselves.

In addition, actual expenses incurred and activities which are considered to be one part of the hospitality, travelling, gifts, entertainment and meals must be transparent, which means they must have the bookkeeping of the expenses and the activities must specify the related person, the business purpose, the activities in details and the amount of money that were expensed.

#### **14. Policy on dividends payment**

The Company and subsidiaries will pay no fewer than 60percent of net profit in a relevant year based on a separated financial statement as a dividend if there is enough profit to do so unless the Board of Directors and shareholders find it is reasonable and necessary to suspend the dividend payment or to pay less than the stated rate. In addition, the Board of Directors may consider paying an interim dividend from time to time as appropriate.

In addition, according to the Company's Articles of Association, the dividends payment of the Company shall be as follows;

(1) No dividends may be distributed out of any funds other than profits. The Company may not make any payment of dividends if there is still any accumulated loss.

(2) Dividends shall be divided by the number of shares and in equal portions for all shares. Payment of dividends must receive the approval of the meeting of shareholders.

(3) Payment of dividends shall be made within one month from the date the resolution is passed by the meeting of shareholders or the board of directors, as the case may be. Written notice shall also be sent to shareholders and the publications of such payment of dividends shall be made in newspaper (s) as well.

(4) In the case where the Company still cannot sell its shares up to number registered or the Company has registered an increase of capital, the Company may pay dividend in full or in part by issuing new ordinary shares to the shareholders, with approval of the meeting of shareholders.

(5) The Company must allocate no less than 5 percent of its annual net profit deducted by accumulated loss brought forward (if any) as its reserves until the reserves reach no less than 10 percent of its registered capital.

#### **15. Policy on the governance of operation and management of subsidiaries and associates**

(1) The Company will nominate a specified number of Company representatives to serve as directors of the subsidiaries and associates reflecting the shareholding proportion of the Company in the respective subsidiaries and associates. Such nomination of directors shall be considered and approved by the board of directors' meeting.

(2) The scope of duties and responsibilities of the directors of subsidiaries and associates are as follows:

(2.1) To perform their duties in compliance with laws, objectives and the Company's articles of association, as well as the resolution of the board of directors and the resolution of shareholders' meeting with duty of loyalty, duty of care, accountability and ethics.

(2.2) To follow up and provide necessary opinion for the operation of subsidiaries and associates to be in accordance with the agreements and related rules and regulation.

(2.3) To continuously monitor the operations of subsidiaries and associates, as well as providing necessary recommendations to ensure that the operations of subsidiaries and associates are in accordance with the specified target. Such directors are able to promptly and appropriately deal with any obstacles which may occur.

(2.4) To consider, monitor and provide any necessary recommendations for subsidiaries and associates to have internal controls systems and/or working systems for efficiency and effectiveness of business operation.

(2.5) Where necessary to review and improve the policies and business plans relating to the business operation of subsidiaries and associates in order to remain up-to-date and appropriate regularly.

(2.6) The boards of directors of the subsidiaries and associates may assign one or more director or any other persons to act on behalf of such board of directors. Such authorization shall not constitute authorization or sub-authorization in a manner which causes the directors, or the person with the authority to approve a transaction in which they have a conflict, interest, or a conflict of interest in any other manner, to be made with the Company and/or subsidiaries and/or associates.

(3) The Company shall set up necessary plans to ensure that subsidiaries and associates shall disclose information relating to the operation and financial status, including information which is required to be disclosed to related authorities and governmental authorities, external investors and the public, and which is accurate, complete and reliable.

(4) When it becomes necessary for subsidiaries or associates to enter into any related party transactions or transactions which may have a conflict of interest, the Company shall monitor and ensure that subsidiaries and associates fairly and transparently enter into such transactions. The Company shall strictly comply with the rules regarding related transactions and acquisitions or disposal of assets which are regulated by related regulators.

(5) The Company shall monitor and proceed with necessary actions, to ensure that subsidiaries and associates have the sufficient and appropriate system relating to the disclosure of information and sufficient and appropriate internal control system to operate the business.

## Attachment 6

### Report from the Audit Committee

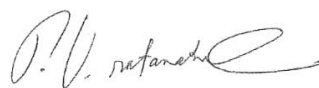
## Report from the Audit Committee

In 2021, JCK International Public Company Limited complied with the following requirements set by the Stock Exchange of Thailand and as entrusted by the Board of Directors. Details are:

1. The Audit Committee convened 4 times in 2021. The meeting was attended by all members of the Audit Committee. The auditor meanwhile attended the Audit Committee meeting at least once a year.
2. The Audit Committee reviewed and approved the 2021 auditing plan of the Internal Audit Department where it focused at strengthening the internal control system, reinforcing adequate auditing in required areas and reporting results of such internal control to the Audit Committee on a regular basis.

Having reviewed and assessed the Audit Committee's operation in 2021, the Board of Directors had an opinion that the internal control system was efficient enough to control and supervise the operation of both JCK International Plc and its subsidiaries and no material defect was found.

3. Both quarterly and annual financial statements of the Company were reviewed to provide full and accurate financial information based on the generally-accepted accounting principles in a timely fashion as well as a true reflection of the company's financial status before they were submitted to the Board of Directors.
4. The Audit Committee reviewed an evaluation form of the adequacy of the Company's internal control system to ensure that it had an appropriate and adequate internal control system to supervise operation based on its business objectives.
5. The Audit Committee reviewed risk management procedures by taking into consideration a risk management policy and a risk management plan and guideline based on prevailing corporate risks. It also regularly reviewed the efficiency and suitability of the Company's risk management system.
6. The Company was requested to be compliant with corporate governance on the basis of the Stock Exchange of Thailand's guideline and to develop its CG practice to match the international standards.
7. The Audit Committee reviewed the Company's compliance with the laws and the authorities' rules and regulations.
8. The Audit Committee reviewed connected transactions and items that could cause conflict of interest as well as ensured that the information was accurately and completely disclosed.
9. The Audit Committee appointed an auditor and set his remuneration before submitting the information to the Board of Directors for proposing to the Shareholders' Meeting for its approval.



(Mr. Prasong Vara-ratanakul)  
Chairman of the Audit Committee  
February 25, 2022



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