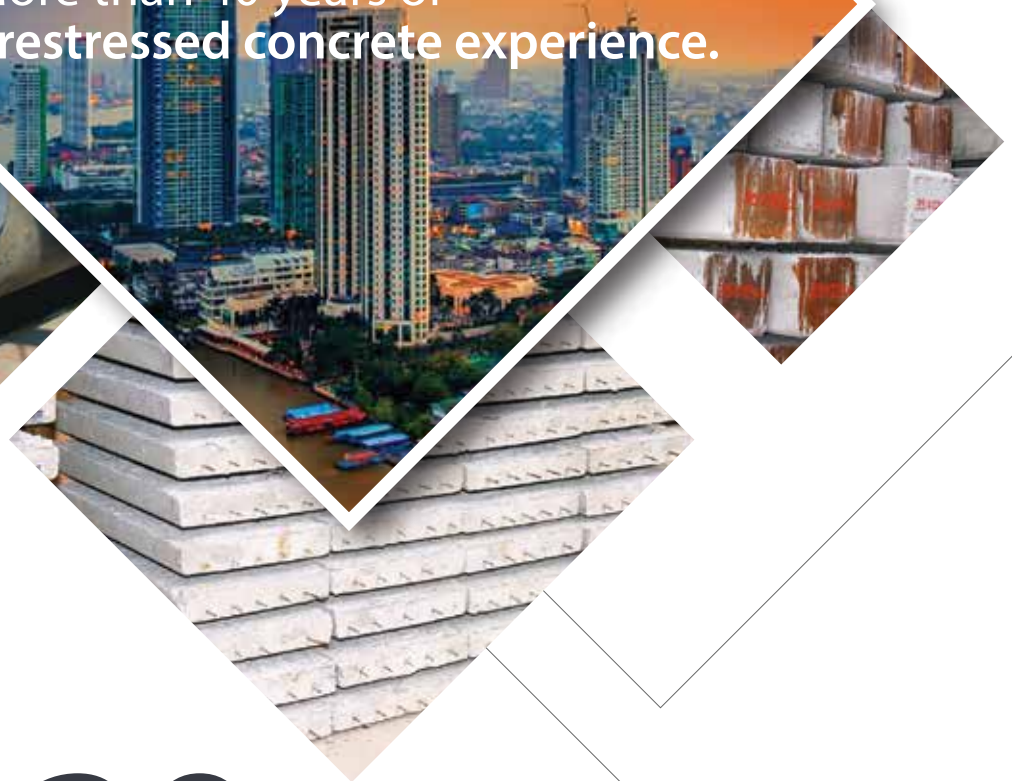




SOUTHER CONCRETE PILE PLC.



More than 40 years of  
prestressed concrete experience.



56-1 **2020**  
ONE REPORT FORM





More than 40 years of  
prestressed concrete experience.

# CONTENTS

## Part 1 Business Operation and Performance

Structure and group companies operations	02
Risk Management	25
Corporate Sustainability	28
Management Discussion and Analysis (MD&A)	39
General Data and Other Information	49

## Part 2 Corporate Governance

Policy in Corporate Governance	52
Corporate Governance Structure and Important Information of the Board Sub-committees, management, employees and others	58
Report on performance of corporate governance	71
Internal control and related transactions	81

## Part 3 Financial Statements 84-145

## Part 4 Certification of Information 146

## Attachments

Attachment 1	Details of Directors, Executives, Controlling Persons, those who assigned to the highest responsibility in Accounting and Finance, those who assigned to be directly responsible for accounting supervision, Company secretary
Attachment 2	Details of the Subsidiary's Directors
Attachment 3	Details of the Internal Audit Supervisor and the Company Performance Supervisor (Compliance)
Attachment 4	Assets used in business and details of property appraisal list
Attachment 5	Policies and guidelines of corporate governance (full) and Company's code of business ethics (full)
Attachment 6	Audit Committee Report

## 1. Structure and group companies operations

### 1.1 Policies and the Overview of Business Operation

Southern Concrete Pile Public Company Limited (the Company hereafter), incorporated on 28<sup>th</sup> August 1979, with the registered capital of 1,600,000 Baht. The company's aim is to manufacture prestressed concrete products, transport service and pile driving services in Muang Phuket District of Phuket Province. Shortly, the company has expanded its project developments to other provinces including Ban Nasarn District of Surat Thani Province, Hat Yai District of Songkhla Province, Muang Udon District of Udon Thani Province, Ban Beung District of Chonburi Province, and Sampran District of Nakhon Pathom Province. At present, the Company has totally six factories, one sales office in Surat Thani Province and head office in Bangkok.

#### 1.1.1 Vision, Mission, Ideologies and Values, Quality Policies;

##### Vision

To be a leading manufacturer of prestressed concrete products, with professional provision of quality products and excellent services to customers with honesty and anti-corruption.

##### Missions

- Committed to development of superior and diversified products and services.
- Promote and develop potentials of personnel resources continuously.
- Create sustainable values for customers, shareholders, employees and all relevant parties.
- Help society, community and maintain the environment.
- Improve customers' satisfaction.

##### Ideologies and Values

Moving ahead together and committed to be a sustainable leading manufacturer of prestressed concrete products.

- Adherence to ethical standard, merit and professional principles.
- Commitment to careful development of quality products and services in all processes.
- Encouraging personnel to believe in their thinking and to making decisions for initiative atmospheres and creation of innovation within the organisation, resulting in strong and sustainable organisational development.
- Moving forward together as one between the employees and organization.

##### Quality Policies

Qualities beyond standards, excellent services and ideal teams of personnel.

#### 1.1.2 Significant Changes and Developments;

Significant historical changes and developments relating to business operation and management of the Company are as follows:

- 1994:-** • May - Transformed into a Public Company Limited.
- 1995:-** • Apr. - Relocated its Head Office from Phuket to Bangkok.
- Jul. - Registered the change of its registered capital from 270 million Baht to 300 million Baht.
- 1999:-** • Sep. - Restructured its debts with Industrial Finance Corporation of Thailand (IFCT).
- 2000:-** • Apr. - Entered into a consortium agreement with Eastern Technical Engineering Company Limited.
- Sep. - Restructured its debts with Credit Agricole Indo Suez Bank and received partial reduction of principal.



- 
- 2001:-**
- Jan. - Accredited under ISO 9002:1994 Standard.
  - Apr. - Shut down the Nakhon Si Thammarat Province factory for more effective control in the cost of production and expanded the business line in telephone pole base works.
- 2002:-**
- Feb. - Restructured its debts with Asia Credit Public Company Limited.
  - Dec. - Accredited under ISO 9001:2000 Standard.
    - Expanded the business line in building contractor sector and housing.
- 2003:-**
- Jun. - Restructured its debts with Standard Chartered Nakornthon Bank Public Company Limited; and received partial reduction of principal.
  - Sep. - Restructured its debts with Siam Industrial Credit Public Company Limited.
  - Nov. - Increased concrete slab production capacity in Phuket and Udon Thani factories and concrete pipe production capacity in Surat Thani factory.
- 2004:-**
- Feb. - Invested in Phuket Ready Mix Company Limited amounted to 6.75 million Baht, with the shareholding ratio of 45%.
  - Aug. - Restructured its debts with Bangkok Bank Public Company Limited.
- 2005:-**
- Added a new product (prefabricated buildings) in Surat Thani factory.
  - May - Transferred the Debt Restructuring Agreement from IFCT to TMB Bank Public Company Limited since both institutions have been merged.
- 2006:-**
- Aug. - Increased concrete pipe production capacity in Hat Yai factory.
  - Dec. - Cancelled the Consortium Agreement with Burapa Technical Engineering Company Limited, since the works have met the objective.
- 2007:-**
- Jan. - Increased concrete pipe production capacity in Phuket factory.
  - May - Opened a new factory for distribution of ready-mixed concrete in Hat Yai District of Songkhla Province.
  - Nov. - Sold all of its shares invested in Phuket Ready Mix Company Limited, to the existing shareholders who were not the related parties.
- 2008:-**
- Added a new product (concrete blocks for pavements) in Surat Thani factory.
  - Shut down a concrete slab factory in Phuket and merged the concrete slab production line to the existing factory to reduce the costs and maximized the efficiency of the factory.
- 2010:-**
- Jan. - Accredited under ISO 9001:2008 Standard.
  - Sep. - Purchased the 17th floor office space of SSP Tower.
- 2011:-**
- Feb. - Shut down a factory for distribution of ready-mixed concrete in Hat Yai District of Songkhla Province to reduce the costs.
- 2012:-**
- Nov. - Installed roofs covering the production platforms to increase the production capacity.
  - The company was awarded the “Best Company Performance Awards” and Outstanding Company Performance Awards” in the fourth group of SET market capitalization of THB 10 billion or less from SET Awards 2012, held by The Stock Exchange of Thailand and Money and Banking Magazine.
  - Appointed Mr.Pongpayome Vasaputi as Chairman of the Board of director and Chairman of the Board of Audit Committee instead Mr. Sutham Tanphaibul.

- 2013:-**
- Jul. - Adjusted the par value of common stocks from 10 Baht per share, totally 30 million shares to 1 Baht per share, totally 300 million shares, amounted to 300 million Baht and fully repaid loans under the Debt Restructuring Agreement with TMB Bank Public Company Limited.
  - Oct. - Increased a concrete pile production line in Surat Thani factory to increase the production capacity.
  - Nov. - The Company was awarded the “Best Company Performance Awards” and “Outstanding Company Performance Awards” in the SET market capitalization of less than THB 2 billion category from SET Awards 2013, held by The Stock Exchange of Thailand and Money and Banking Magazine.
- 2014:-**
- Oct. - Sold all of its shares invested in Surat Ready Mixed Company Limited, and in Panyawaj Company Limited to unrelated parties.
  - Add a new installation system “Pressed Pile System” (Jacked in Pile) using Hydraulic Static Pile Driver machine
  - Nov. - The Company was awarded the “Outstanding Company Performance Awards” in the SET market capitalization of THB 2 billion-THB 10 billion category from SET Awards 2014, held by The Stock Exchange of Thailand and Money and Banking Magazine.
  - Dec. - The Company was awarded the Forbes Asia “Best Under a Billion”, was one in two hundred companies in Asia or one in nine companies in Thailand which were carefully selected for this award by Forbes Asia.
- 2015:-**
- Expanded the concrete blocks for pavements in Udon Thani factory.
  - Added more Hydraulic Static Pile Driver machines.
- 2016:-**
- Jul. - Accepted the ESG100 Company Certificate for the year 2016 from Thaipat Institute.
  - Sep. - Accredited under ISO 9001:2015 Standard.
- 2017:-**
- Invested the Spun Pile production line in Ban Beung factory.
- 2018:-**
- Added more Hydraulic Static Pile Driver machine, improve machinery, equipment and mould for better production efficiency.
- 2019:-**
- Developed deck panel and precast concrete panel at Surat Thani factory.
  - Manufacture plank and box girder according to DOH 2015 standard.
  - Implemented indoor manufacturing line at Udon Thani factory for better manufacturing efficiency.
- 2020:-**
- Installed solar cell system at Nakhon Pathom factory.
  - Added new products, barrier and concrete pipe (square) at Surat Thani factory.
  - Sep. - Purchased land at Surat Thani factory from lessor.
  - Appointed Mr.Bonguea Limsuebchuea as the Chairman of the Audit Committee because Mr.Pongpayome Vasaputi resigned from the position of Chairman of the Audit Committee and Audit Committee.
  - Appointed Police Colonel Somyod Kaewbangkerd as the Audit Committee.

### 1.1.3 Money spending from Fundraising

- None -

### 1.1.4 Obligations in the registered securities offering statement and / or the company's authorize conditions (if any) and / or the stock exchange listing conditions

- None -

### 1.1.5 Head Office Name, Type of Business, Registration Number

Name : Southern Concrete Pile Public Company Limited

Type of Business : Manufacture and distribute all prestressed concrete products included transport service and pile driving services.

Address of Head Office : 555 SSP Tower, 17<sup>th</sup> Floor, Soi Sukhumvit 63 (Ekamai), North Klongton Sub-district, Wattana District, Bangkok 10110

Company Registration No. : 0107537001803

Website : www.scp.co.th

Telephone No. : 0-2711-5134 (10 automatic lines)

Facsimile No. : 0-2382-0351-2

## 1.2 Nature of Business Operation

The Company's businesses consist of products and services, as follows:

1. Pre-stressed concrete products such as poles, piles, centrifugal-force spun piles, planks, bridge girders, plank girders and other concrete products.
2. Transport and pile installing services.

### 1.2.1 Structure of Total Incomes of Southern Concrete Pile Public Company Limited

No.	Products/Services	Operated By	% of shareholding of the Company	2020		2019		2018	
				Million Baht	%	Million Baht	%	Million Baht	%
1	Prestressed concrete poles	-	-	147.41	8.87	255.21	13.25	226.72	11.09
2	Concrete products of the Electricity Authority	-	-	32.96	1.98	44.89	2.33	36.87	1.80
3	Piles/prestressed concrete spun piles	-	-	979.47	58.93	1,024.42	53.20	1,182.51	57.82
4	Planks	-	-	17.69	1.06	20.41	1.06	24.35	1.19
5	Bridge girders, plank girders	-	-	61.55	3.70	62.24	3.23	41.87	2.05
6	Other concrete products	-	-	31.18	1.88	42.36	2.20	33.61	1.64
7	Service works	-	-	391.89	23.58	476.19	24.73	499.12	24.41
	Total value of domestic distribution:			1,662.14	100.00	1,925.72	100.00	2,045.05	100.00
	Increase (decrease) rate of distribution value			(13.69)		(5.84)		28.40	

## 1.2.2 Nature of Products or Services

### (1) Product's Characteristics and services and innovation developments.

#### Types of Products

#### (1.1) Prestressed concrete poles and concrete products of the Electricity Authority



- Prestressed concrete poles, with the length of 6.00–22.00 meters; Produced under the standards of PEA, EGAT and MEA;
- Prestressed spun cross arms produced under the standard of PEA, with the length of 1.50 – 3.20 meters;
- Stubs and piles of PEA (all sizes of cross-sections and lengths);
- All sizes of Scaffold beams for transformers, all sizes of anchor;
- All types of PEA pole foundations have been tested for quality and accreditation under the standard requirements of such units.

#### (1.2) Square piles and prestressed concrete I-shape piles



- Square piles, with the sizes of 15–65 centimeters;
- I-shape piles, with the sizes of 18–45 centimeters;
- The length of piles range between 3–25 meters; in case, longer piles are needed; or there are limitations of areas, connected piles can be the option. The connection joints shall be safely designed with strength of not less than the requirements under the TIS Standards of piles;
- Piles and all production processes of piles are designed and controlled by expert engineers;
- Piles can be produced under any standards requirement such as TIS, DOH, OARD or others;
- Piles can be installed with pure-driving or pre-bored methods by drop hammers, hydraulic hammers or hydraulic static pile drivers, which shall not cause noises and vibrations during the pile installing process as per the requirements or specifications;
- Integrity and weight-bearing capacity of piles shall be tested;

#### (1.3) Centrifugal-Force Prestressed concrete spun piles



The centrifugal-force from spinning process shall strengthen the concrete and remove the excess water from concrete;

#### Special Qualities

- Produced by using concrete spinning process in moulds which are spun with high velocity by modern machine. As a result, the density of concrete texture shall be higher than concrete which is moulded by normal method; since the density of concrete is higher than traditional method. Therefore, the capillary action rate is very low; and concrete shall have better qualities such as corrosion resistance;
- Produced by modern tools in all processes; therefore, the quality can be consistently maintained;
- Steel joints of piles shall be fastened with high-tension wires and most securely welded under the standards;





**Prestressed concrete spun piles can be driven with 5 methods, as follows**

**1. Pure drive method**

Piles shall be driven with normal method by using drop hammers, hydraulic hammers or diesel hammers to the prescribed level or blow-count;

**2. Pre-bore method**

Soil shall be excavated with the width equal to the diameter of piles, and the depth of approximately 6-10 meters. Then, piles shall be put in boreholes and driven by pile drivers to the prescribed level or blow-count;

**3. Auger press with final drive method**

Piles shall be driven by using auger in pile holes and pressing the piles simultaneously until the remaining length is equal to 3-10 times of the diameter of piles, then, driving the piles to the prescribed level with blow-count;

**4. Full auger press with toe-grouting method**

Piles shall be driven in the same manner as the auger-pressing method to the prescribed depth level without any subsequent pile driving but instead the cement grout will be injected to the pile tip improving the bearing capacity;

**5. Jacked in pile method**

Piles shall be driven by using hydraulic static pile drivers, which can drive piles until reaching the compression value as prescribed without any interruption or vibration during operation

Regarding the selection of any of the above pile-driving methods, engineers shall consider the suitability of the working areas including pressure and vibration which may affect nearby buildings.



#### (1.4) Planks

Planks are flat-type prestressed concrete slabs with cross-sectional shape similar to boards with the width of 30 centimeters and 35 centimeters and the depth of 5 centimeters, placed tightly close to each other; no cement topping needed in the bottom part. After the process of structural topping, cement shall be mixed as composite with the planks.



#### (1.5) Bridge Girders, Plank Girders

- Bridge girders shall be produced with types of box girders, I-girders or T-girders as per the standards prescribed by the government agencies;
- All production processes are audited and tested by expert engineers under the prescribed standards;
- Integrated product installation services are provided;



#### (1.6) Concrete pipes and manholes

- The Company has its products of drainage concrete pipes (mortar joints) with diameters of 300, 400, 500, 600, 800, 1,000 and 1,200 centimeters; and the length of 1.0 -1.20 meter;
- Products have been produced by modern machine and with the molding process, ensuring the quality and consistent size of work pieces and the right size of pipe joints and tightly adjoined joints of pipes, reducing the leakage problems;
- The Company can produce pipes under different standards to meet customers' requirements such as TIS.128 (quality work pieces RC.2 and RC.3) or standards as per customers' requirements;
- The Company has produced precast reinforced concrete manholes for drainage work to be used with reinforced concrete pipes for drainage work; whereas, sizes of products shall be in accordance with general standards and customers' requirements;
- Regarding the delivery of products, the Company has provided vehicles and equipment for transport of pipe products and manholes to the spots of use;



#### (1.7) Sheet piles

"Sheet piles" are piles which shall be driven and placed tightly close to each other along the banks of canals, rivers or other spots to function as dikes for soil erosion prevention. The Company can produce sheet piles in different sizes, cross-sectional shapes and lengths such as sheet pile 0.35x0.6 meter, 0.45x0.60 meter, 0.25x0.50 meter to 0.50x0.50 meter, with the length of piles of 12-22 meters.

The design and production of piles have been operated by expert engineers in all processes to obtain qualified sheet piles that meet customers' requirements. Normally, piles shall be driven and installed by drop hammers due to the flexibility in adjusting the pile caps advantage.



#### (1.8) Cement floor tiles, concrete floor tiles and curb stones

- Cement floor tiles: Size: 0.30x0.30 meter; thickness: 4-6 centimeters  
Size: 0.40x0.40 meter; thickness: 4-6 centimeters
- Concrete floor tiles: Size: 0.30x0.30 meter; thickness: 3 centimeters  
Size: 0.40x0.40 meter; thickness: 4 centimeters
- Curb stones: Size: 0.15x0.30x1.00 meter



#### (1.9) Barrier

In the market may use other names such as Concrete Traffic Island, Concrete Wall and Barrier Concrete. On the road that is relatively narrow and heavy traffic, using a concrete barrier can prevent accidents in the event of large vehicle collision, when an accident occurs, the concrete barrier will reduce the damage and severity of the accident. Choosing the precast concrete does not require any repairs, maintenance due to the Company produce a diameter of 0.60, 0.61 centimeter.

#### (1.10) Other concrete products

- The Company can produce all other types of concrete products as per customers' requirements, including reinforced concrete products such as poles, beams, wall panels and other precast concrete products.
- Since the Company's products require spaces for bulk storage, therefore, the Company shall produce its products according to customers' orders and shall transport the products to customers immediately.
- Regarding the raw materials, there is no issue relating to the bulk storage premises because the raw materials are abundantly available domestically, therefore, the Company shall keep only adequate quantity of raw materials for production, at suitable amount.

#### (1.11) Service works

##### Transport

The Company has adequate trucks with 6-45 tons crane installed for transporting products.

##### Pile driving and installation

The Company has provided its drop hammers, hydraulic pile drivers, jacks-in-pile for all types of pile driving services such as pure-driving method, pre-bored method, auger-pressing method or full auger-pressing method, as well as installation of electrical poles, box girders, plank girders and the like nationwide.

##### Potential replacement by new technologies

At present, there is no tendency that the products shall be replaced by new technologies, however, the Company has regularly developed and improved its technologies and machineries to reduce the use of labor, to reduce its costs and to improve the quality and efficiency of its production for competitiveness with other vendors.

##### Adequacy of production machinery and personnel

Machinery and personnel are still adequate for production, despite the increasing volumes of products, the Company's production lines have not yet reached their maximum production capacity.

#### Technical assistance agreements

- None -

#### Environmental impacts

- None - (the Company's factories are located far away from communities and the Company has never had any disputes relating to the environmental issues)

## 2. Marketing and Competition

### (A) Marketing of Important Products and Services

#### 2.1 Marketing and Selling Policy of Our Products

##### Target Market

1. In the 2020, government and state enterprise are the target customer group of the Company. Due to this past year, Thailand's economy was in recession at 6.1% decrease from 2019, which is the largest contraction in 22 years. Private investment decrease by 8.4%, but the government sector had stimulated the economy, as a result, the government investment in 2020 increase by 5.7%. The Company's policy and selling of products, thus focusing on government and state enterprise projects. In 2020, the Company has sold project work of the government and state enterprise in the amount of approximately 55% - 60% or an average rate of 30% - 35%, which more than the previous year.

Major Government Projects in 2020 are as follows

- Bang Yai - Kanchanaburi Motorway project of the Department of Highways, Ministry of Transport
- Flood prevention project of the Royal Irrigation Department, Ministry of Agriculture and Cooperatives
- River bank protection project of the Department of Public Works and Town & Country Planning
- Prison project Of the Ministry of Justice
- Electric poles project of the Provincial Electricity Authority (PEA), etc.

Most of them are distributed through a group of main contractors that undertake government work such as Takbaikanyotha Company Limited, Sermasanguan Construction Company Limited, Christiani & Nielsen (Thai) Public Company Limited, except for the electric pole work, the Company most bid directly from the Provincial Electricity Authority.

2. Private sector, the Company focused on large scale projects in various industries such as Eastern Petrochemical Group, STGT rubber glove factory, CPRAM Food Producers, GFPT, Private Hospital Groups, etc. In selling products, there are both direct sales to the business owner and through the contractor, the work on these large projects often consume a large number of piles and must be completed within a limited amount of time, thus the Company entering the work must therefore be a Company with high production capacity, the product is of reliable quality including to ready quickly install and can be install in a variety of ways, a good safety and environmental management. Therefore consistent with the strength of the Company which are readily available in every aspect; production capacity, Machinery used in all types of installation and team with engineers who have long experience. Although the market in this sector is still competitive but less violence than other market.

#### 2.2 Trends of Industry and Competition in 2021

In 2021, Thailand's economy is expected to expand by 2.5% - 3.5% compared to 2020, with key supporting factors are as follows:

1. Trends of economy recovery and world trade volumes.
2. Driving force from government spending.



3. The return of domestic private demand expansion.
4. Adaptation to unusually low expansion in 2020.

Private and government investment are expected to grow at 3.8% and 10.7%, respectively. The economic and investment are still not fully recovered due to the new wave of epidemic of COVID-19 situation. However, the economic began to recover in the second half of the year 2021, in case of provided sufficient progress in the distribution of domestic vaccinations.

From the preliminary factors mentioned above, therefore, the Company mainly focus on government sector and state enterprises, especially the infrastructure projects such as the high-speed rail project, the high speed rail linked 3 airport project and others, which continue to operate from 2020. In 2021, the competition in the prestressed concrete industry still experienced intense competition similar to the previous year due to the oversupply but there is still a factor in the price of raw materials, some of them have increases their prices from 2020, resulting to all manufactures are likely to have higher production costs. Therefore, it is expected that the competition should be less intense.

### **2.3 Key Success Factors of the Prestressed Concrete Industry**

In general, the prestressed concrete industry there is not much difference in the product itself, brand loyalty is therefore less, thus price is an important factor in customers' purchasing decision. However, the installation service is of reliable quality, a team of engineers to manage and controls the installation quality in accordance with the principle of engineering, able to complete the project work within the time limit, especially the large projects with large orders and short lead times, thereby a differentiated service is the success factor of this industries. The Company is well equipped with high production capacity, a team of engineering with long experience, more than 50 own trucks and service vehicle, all kind of machines are use for installation such as Hydraulic Hammer for project work requiring Auger Press, Prebore and Auger Press with Toe Grouting to be installed, Hydraulic Static Pile Driver (HSPD) for Jack in Pie, which a vibration free system that helps to be environmentally friendly and not interfere with neighboring communities, therefore, it has always been able to meet the needs and has always been the satisfaction of our customers.

## **(B) Situation of Competition**

### **Overall Competition in the Prestressed Concrete Industry**

#### **1. Threat of New Entrants:-**

Prestressed concrete industry, the cost of entering the new industry is not high (Low Investment) and being an easily accessible technology industry today (Low Technology), thus making it difficult to protect new competitors, but also in the old industry, especially the Square Pile which are already many of competitors resulting in relation from those with the originally market, therefore, new competitors in this group rarely occur due to oversupply than demand. The Spun Piles, there are a few manufacturers, it also has the opportunity for new competitors to entering the industry

#### **2. Intensity of Rivalry among Existing:-**

There are many competitors in this industry causing nowadays there is a high competition in price which the market belong to the buyer, however the number of competitors also differ in size and operating capabilities of each business entity both in terms of production capacity of the large machines use in the installation and location of the factory due to the products in this industry are heavy, the transportation cost has an impact on product prices. The Company has factory location distributed in almost all the regions, thus it can support various projects of customers which occur in each are as well.



**3. Threat of Substitute Products or Service:-**

The pile market is divided into three major groups: square pile (rectangular and I shape piles), spun pile and bored pile. Bored pile can replace square pile and spun pile in urbanized areas with dense communities or limit space characteristics unable to transport ready-made piles from the factory will use bored piles instead. If any area can use hammer piles, designers will always recommend due to the cost is very cheap, thus to replace bored piles instead of hammer piles in projects which are not tall building or narrow spaces, therefore, there are very limitations because the cost of replacing the product is very high (Switching Cost).

The Company currently has HSPD machines that make the installation of piles using the conventional hammering method and a lot of vibration disturbing nearby buildings, which are the weakness of this type of piles has been exhausted because this type of machine uses a method to press the pile head into the ground without hammering (Jack in Pile), so there is no back vibration, able to partially replace bored piles that work with a dry system (Dry Process) due to the lower cost, faster work and pollution-free.

**4. Bargaining Power of Byers:-**

This industry considered that the buyer has the power to negotiate the pricing in the market quiet a lot, due to many manufacturers and the product is not much different (Product Differentiation) except for the installation service mentioned above.

**5. Bargaining Power of Suppliers:-**

The main raw materials of the prestress concrete industry are cement and prestress concrete wire, both of two main raw materials are limited in number of manufacturers (cement was 4, PCW was 7) therefore, able to set the market price at some time depending on market conditions, but most of these two industries still have production capacity that exceeds demand. Moreover, the Company among the customers who have a lot of orders at the top, therefore, still has bargaining power which will not disadvantage to our competitors.

### 3. Procurement of products or services

#### (3.1) Production, capacity and utilization rate in 2020

Product type	Descriptions	Factory						Total
		Phuket	Surat Thani	Hat Yai	Udon Thani	Ban Bueng	Nakhon Pathom	
Prestressed Concret Pole	Capacity (m. <sup>3</sup> )	5,000	10,000	7,000	18,000	6,000		46,000
	Production volume (m. <sup>3</sup> )	1,012	4,722	4,013	9,661	2,784		22,192
	Utilization rate (%)	20	47	57	54	46		48
Prestressed Concrete Piles	Capacity (m. <sup>3</sup> )	45,000	72,000	45,000	27,600	67,000		256,000
	Production volume (m. <sup>3</sup> )	19,938	47,037	28,668	10,732	51,385		157,760
	Utilization rate (%)	44	65	64	39	77		61
Planks	Capacity (m. <sup>3</sup> )	7,500	5,000	5,000	4,500			22,000
	Production volume (m. <sup>3</sup> )	885	1,593	783	1,013			4,274
	Utilization rate (%)	12	32	16	23			19
Prestressed Concrete Spun Piles	Capacity (m. <sup>3</sup> )					42,000	55,200	97,200
	Production volume (m. <sup>3</sup> )					12,614	32,051	44,665
	Utilization rate (%)					30	58	46
Prestresse Concrete Cross-Arm	Capacity (m. <sup>3</sup> )				1,100			1,100
	Production volume (m. <sup>3</sup> )				673			673
	Utilization rate (%)				61			61
Others (PEA)	Capacity (m. <sup>3</sup> )	500	3,000	3,500	1,000	4,000		12,000
	Production volume (m. <sup>3</sup> )		2,159	1,405	503	640		4,707
	Utilization rate (%)		72	40	50	16		39
Others	Capacity (m. <sup>3</sup> )	1,000	9,000	5,000	5,000	8,000		28,000
	Production volume (m. <sup>3</sup> )	55	4,180	4,161	44	241		8,681
	Utilization rate (%)	6	46	83	1	3		31
Concrete pipes	Capacity (m. <sup>3</sup> )	5,400	7,000	3,000				15,400
	Production volume (m. <sup>3</sup> )	966	6,305	1,098				8,369
	Utilization rate (%)	18	90	37				54
Total	Capacity (m.3)	64,400	106,000	68,500	57,200	127,000	55,200	478,300
	Production volume (m. <sup>3</sup> )	22,856	65,996	40,128	22,626	67,664	32,051	251,322
	Utilization rate (%)	35	62	59	40	53	58	53

### (3.2) Production policy in 2021

Unit: m.<sup>3</sup>

Product type	Factory						Total
	Phuket	Surat Thani	Hat Yai	Udon Thani	Ban Bueng	Nakhon Pathom	
Prestressed Concrete Pole	600	4,000	6,500	8,500	4,200		23,800
Prestressed Concrete Piles	17,000	45,000	30,000	12,000	50,000		154,000
Planks	900	1,500	900	700			4,000
Prestressed Concrete Spun Piles					12,000	33,000	45,000
Prestressed Concrete Cross-Arm				350			350
Others (PEA)		500	1,000				1,500
Concrete pipes	500	6,000	1,200				7,700
Others		4,200	1,800	4,000	1,000		11,000
<b>Total</b>	<b>19,000</b>	<b>61,200</b>	<b>41,400</b>	<b>25,550</b>	<b>67,200</b>	<b>33,000</b>	<b>247,350</b>

### (3.3) Procurement of Raw Materials and Suppliers of Raw Materials

- The main raw materials used in the production are cement, stone/sand, prestress concrete wire, concrete admixture and ring wire.
- Special raw materials are reinforced steel (round bars, deformed bars, steel plates and pile heads)

All of these raw materials can be ordered from domestic suppliers, therefore, the Company has no foreign exchange risk in the procurement of raw materials. Change in overall price level according to market conditions, the Company has stocked raw materials at certain times when the price has increased, to control production costs that may arise from the impact on raw material prices including the Company's procurement policy are not based on any specific supplier, due to the main raw materials used there are entrepreneur and suppliers in the domestic, each supplier has similar potential. Therefore, the Company has no risk of reliance on any supplier that plays an important role in the survival of the Company in addition the Company has a good relationship with every supplier.

### (3.4) The Company will ordering raw materials from the suppliers are as follows

- Cement:** SCG Cement - Building Materials Co., Ltd.  
Jalaprathan Cement Public Co., Ltd.  
Siam City Cement Public Co., Ltd.
- Stone, sand** from the suppliers according to the local area where each factory is located, each factory has many suppliers.
- PC Wire:** Thai Wire Products Pub Co., Ltd.  
Bangkok Steel Wire Co., Ltd.  
Siam Wire Industry Co., Ltd.  
The Siam Industrial Wire Co., Ltd.
- Concrete Admixture:** Mineral and Chemical Co., Ltd.
- Ring Wire** TSN Wires Co., Ltd.  
Siam Wire Industry Part., Ltd.  
Pempoonsap Steel Wire Co., Ltd.  
Bangkok Fastening Co., Ltd.  
Lee Hyong Hua Steel Co., Ltd.

The main raw materials which the Company has to purchase from supplier in excess of 30% of the total purchase value for 3 consecutive years are as follows:

- Prestress Concrete Wire from Thai Wire Products Pub Co., Ltd.  
Reason: The stable quality of products, delivered timely and reasonable price
- Cement from SCG Cement - Building Materials Co., Ltd.  
Reason: The stable quality of products, delivered timely and reasonable price

The raw materials used in production are 100% purchased from domestic suppliers.

Procurement of raw materials for sale: None

Problems with raw materials: None

## 4. Assets used in business operation

### (4.1) Land, building and machinery (as of 31 December 2020) consists of

Land	207.11	Million baht
Land improvement and Building improvement	21.22	Million baht
Buildings and structures	287.75	Million baht
Machinery and equipment	290.79	Million baht
Mold	289.79	Million baht
Vehicles	192.47	Million baht
Machinery and equipment for piling	299.96	Million baht
Prestressed equipment	108.51	Million baht
Furniture fixtures and equipment	20.33	Million baht
Construction in progress	6.80	Million baht
<b>Total</b>	<b>1,724.73</b>	<b>Million baht</b>
<u>Less Accumulated depreciation</u>	(1,112.16)	Million baht
Allowance for impairment		
Allowance for impairment	(0.37)	Million baht
<b>Net book Value</b>	<b>612.20</b>	<b>Million baht</b>
<b>Right-of-use assets (as of 31 December 2020 ) consists of :-</b>		
Building and improvement	21.47	Million baht
Vehicle	11.75	Million baht
<b>Total</b>	<b>33.22</b>	<b>Million baht</b>
<u>Less Accumulated depreciation</u>	(25.05)	Million baht
Allowance for impairment :-		
Allowance for impairment	(2.07)	Million baht
<b>Net book Value</b>	<b>6.10</b>	<b>Million baht</b>

(4.2) Detail of land and building net book value

Assets	Location	Amount of area	Right	Net book Value of Land As of 31/12/20 (Million Baht)	Net book Value of Building As of 31/12/20 (Million Baht)	Commitments
Land and building	136/4 Moo 3, Petchakasem Rd., Tambol Tung-Tamsao, Hat Yai District, SongKhla 90110	5-1-46 rai	Right	0.24	9.74	collateral for credit line (130 million baht) of Bangkok Bank Public Company Limited
Land and Building	18 Moo 2, Ban-bueng-Klaeng Highway, Tambol Nong-Chak, Ban- Bueng District, Chaonburi 20170	85-3-57 rai	Right	48.74	49.73	
Land and Building	16/12 Moo 3, Tambol Homkred, Samphan District, Nakhon Pathom 73110	34-0-93 rai  1-1-13 rai	Right	100.75	17.10	1. collateral for credit line (120 million baht) of Kasikorn Bank Public Company Limited 2. collateral for credit line (59.50 million baht ) of Krung thai Bank Public Company Limited
Land and Building	298 Moo 2 Tanbol Tha Ruea, Muang District, Nakhon Si Thammarat	6-1-85.7 rai	Right	2.15	-	
Land and Building	342 Moo 2, Tambol Khok Sa-at, Muang Udonthani District, Udonthani 41000	21-1-0 rai	Right	0.07	15.56	
Land and Building	25/3 Ratbumrung Rd., Na san District, Suratthani 84120	72-0-72 rai	Right	59.55	19.89	
Building	46/9 Thepkasatri Rd., Thambol Ratsada, Muang Phuket District Phuket 83000		Right		8.30	
Land and Building	555, 17 <sup>th</sup> Floor, SSP Tower Building, Sukhumvit 63 (Ekamai), North Klongton, Watana, Bangkok 10110	844 Square meters	Right (Number 40-43)	0.27	16.64	



**(4.3) Detail of Machine for manufacturing and Pilling Service:**

Assets	Location	Amount	Right	Net book value As of 31/12/20 (Million Baht)	The estimated Useful lives (years)	Commitments
<b>Machinery and equipment :-</b>						
Crane	All plant	85	Right	8.69	5,10, 20	-
Concrete mixer Machine	All plant	16	Right	7.40	5,10, 20	-
Weighing Machine	Nakhon Pathom plant, Surat, Ban- Bueng	3	Right	-	5, 20	-
Coil Winding Machine	Ban- Bueng plant and Nakhon Pathom plant	2	Right	1.26	5, 20	-
Mold Spinner	Nakhon Pathom plant, Surat, Ban- Bueng	6	Right	6.45	5, 20	-
Head Buttoning Machine	Ban- Bueng plant and Nakhon Pathom plant	7	Right	0.45	5, 20	-
Platform for finished product	Nakhon Pathom plant	1	Right	0.006	20	-
Loader	All plant	7	Right	-	5, 20	-
Flatbed rails car	Nakhon Pathom plant, Surat, Ban- Bueng	5	Right	1.81	5,10, 20	-
Backhoe	Nakhon Pathom plant and Surat plant	4	Right	2.32	20	-
Concrete Pile	Surat plant, Phuket,	7	Right	0.47	5, 20	-
Compact Machine	Hat Yai and Udonthani					
<b>Machinery for piling :-</b>						
Pile Installing Machine	Nakhon Pathom plant, Ban- Bueng and Phuket	21	Right	35.00	5, 20	-
Hydraulic Hammer	Nakhon Pathom plant	17	Right	17.15	20	-
Augering Motor	Nakhon Pathom plant	8	Right	0.01	20	-
Electric Generator	Nakhon Pathom plant, Ban- Bueng, Phuket and Udonthani	18	Right	2.51	5, 20	-

**(4.4) Net Asset Value**

1. In the 2000, the Company changed the method listing of land improvements and building, previously stated at cost less accumulated depreciation change into revaluation, which is based on the appraised value by independent assessors (Siam Appraisal & Service Co., Ltd. and Agency for real Estate Affairs Co., Ltd.) using the market approach method and depreciated replacement cost method. As at December 31, 2000, the Company has surplus on revaluation of assets of 61.92 million Baht.

After that in 2005, the Company revalued the price by independent assessors (The Valuation & Consultants Co., Ltd.) using the same assessment methods as the year 2000, the valuation results have decrease, as a result as at December 31, 2005 the surplus on revaluation of assets remain of 18.76 million Baht. In 2009, the Company revalued the price by Ktac Appraisal and Service Co., Ltd using the market approach methods and cost approach method, the valuation results have increase, as a result as at December 31, 2015 the surplus on revaluation of assets remain of 51.72 million Baht

2. In 2007, the Company changed the Accounting Policy for associated company, previously the equity method change into the cost method in the Company financial statement in accordance with the Thai Accounting Standard 27 (revised 2009) based on Consolidated and Separate Financial Statements and Thai Accounting Standard 28 (revised 2009) based on Investment in Associates.
3. In 2009, the Company reviewed lifetime of the building and land improvement base on the appraisal data of independent assessors previously 20 years old to 30 - 50 years old, effective from August 2009 onwards.
4. In 2012, the Company reviewed scrap value of machinery and vehicles base on appraisal data of independent assessors and other information.
5. In 2014, the Company revalued the price of land improvement and building by independent assessors (Golden Land Appraisal Co., Ltd) using the market approach method and cost approach method.
6. In 2016, the Company changed the Accounting Policy in accordance with the Thai Accounting Standard 16 (revised 2015) base on Land Building and Equipment according to the discriminatory approach, previously state at fair value change into revaluation in accordance with the notification of Federation of Accounting Professions No. 18/2011 was made on April 12, 2011 which allow business to use the accounting method when revaluation for existing asset in accordance with the notification of Federation of Association Professions No. 25/2006, capital surplus depreciation can be transferred from revaluation of assets considered to have occurred directly to retained earnings as cost. The Company has chosen to record the asset value as cost, beginning the fiscal year 2016
7. The total assets as at December 31, 2020 was 2,379.95 million Baht per share (number of share after deducting of treasury stock)

#### (4.5) Company Investment

Company investment						
List of Company	Business Type and Nature of Business	Paid up Capital (Million Baht)	Percentage of share held	Cost prices	Fair Values as at December 31, 2020	Percentage of Investment Ratio and Total Asset
<b>Share</b>						
Thai Wire Products Pub Co., Ltd.	Distribute high tensile steel wire	270	9.99	65,876,340	54,490,510	2.27%
<b>Mutual Fund</b>						
• Bauluang Treasury Fund (B-TREASURY)				283,541,494	284,128,909	11.85%
• Bualuang Top -Ten Fund (BTP)				10,000,279	8,304,657	0.35%
<b>Debenture</b>						
• True Move H Universal Communication Co., Ltd.				20,000,000	20,000,000	0.83%

**Remark:** Fair value in share of Thai Wire Products Public Co., Ltd. and Mutual Funds as at December 31, 2020

## 5. Work not yet delivered

Large project which the Company has agreed to enter into the contract in 2020, but still not delivering the work according to the contract and continue to work in 2021 are as follows:

### (5.1) Work that has not yet been delivered according to the contract in 2020 and continue to work in 2021

No.	List of Company	Project Work
1.	Pongpat Enterprise Co., Ltd.	Bangyai - Kanchanaburi Motorway, Contract 24
2.	Tipakorn Co., Ltd.	Flood relief, Mueang, Nakhon Si Thammarat, Contract 3
3.	M.K.S. Farm Co., Ltd.	Thung Khwang, Panat Nikhom, Chon Buri
4.	Tapee Tractor Co., Ltd.	Bridge Construction, Mueang, Pattani
5.	Bilfinger Berger (Thai) Construction Co., Ltd.	Eagle, Asia Industrial Estate, Rayong
6.	Channakorn Engineering Co., Ltd.	GCL IDCSW, Map Ta Phut Industrial Estate, Rayong
7.	Namsiang Co., Ltd.	NSG New Warehouse, Khlongudomchonlajorn, Chachoengsao
8.	A.S. Associated Engineering (1994) Co., Ltd.	Bangyai - Kanchanaburi Motorway, Contract 12
9.	Rattaphum Khamai and Construction Co., Ltd.	Flood Relief, Mueang, Nakhon Si Thammarat
10.	Pyramid Concrete Co., Ltd.	National Highway 304, Khao Hin Son, Chachoengsao
11.	M.K.S. Farm Co., Ltd.	Hangsung, Chon Buri
12.	Thai Jurong Engineering Co., Ltd.	GLOW 2 Project, Map Ta Phut, Rayong
13.	Banchakij Co., Ltd.	The 5 <sup>th</sup> Thai - Lao Friendship Bridge (Bueng Kan-Bolikhamxai ) section 1, Thai side road project, Buengkan

### (5.2) Main Customer in 2020 (revenue realized in 2020)

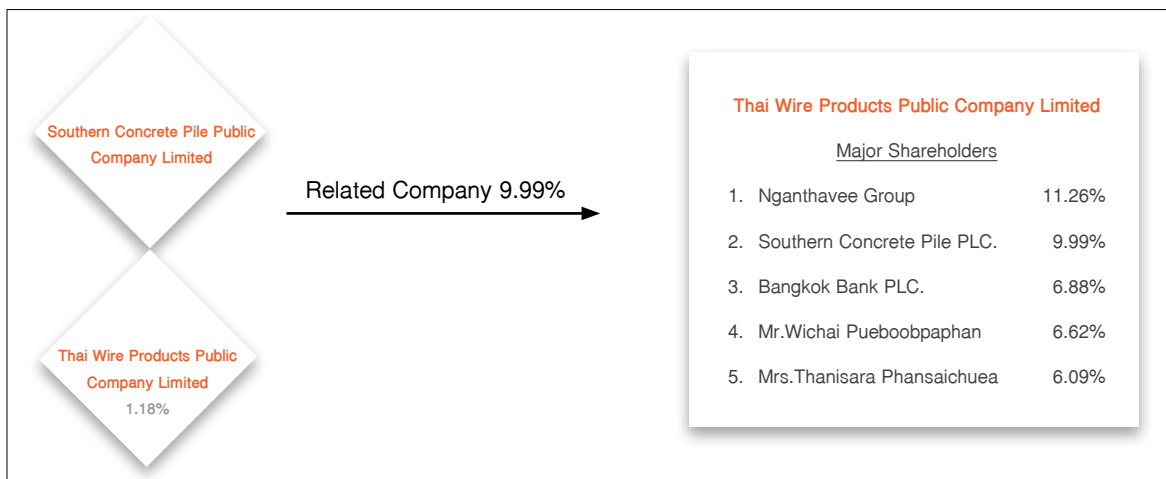
No.	List of Company	Project Work	Value (mil. Baht)	Percentage on Sale
1.	Provincial Electricity Authority	• Electrical products	145.83	8.70
2.	Takbaikanyotha Co., Ltd.	• Main Drainage System to Alleviate the Flood Problem, Phatthalung • Dam to Protect the Coastal Banks and Improve the Landscape (state 4) • Bank Protection Dam along Klong Prik Canal, Sa dao Distric • Hammering on Sai Kaew Beach (state 3) • Hammering on Maharat Beach • Bank protection dam along the Takhria Canal • Bank protection dam along Thepha River, Ban Bo Toey • Bank protection dam along U-Ta Phao Canal, Ban Mae Term • Bank protection dam along seaside, Ban Pak Trae (state 4) • Bank protection dam along Pattani River, Nibong Bridge Area • Dam to Prevent Floods along Samakkhi Canal	122.89	7.33
3.	Sermasanguan Construction Co., Ltd.	• Bangyai - Kanchanaburi Motorway, Contract 10	75.47	4.50
4.	Pongpat Enterprise Co., Ltd.	• Bang - Kanchanaburi Motorway, Contract 24	69.76	4.16
5.	DD Jointventure Co., Ltd.	• New passenger terminal building, Nakhon Sri Thammarat Airport, Pak Phun, Mueang, Nakhon Sri Thammarat	38.29	2.28
6.	Tian Yuan Development (Thailand) Co., Ltd.	• Bangyai - Kanchanaburi Intercity Motorway	35.41	2.11

(5.2) Main Customer in 2020 (revenue realized in 2020) (continued)

No.	List of Company	Project Work	Value (mil. Baht)	Percentage on Sale
7.	IBC Industrial Co., Ltd.	<ul style="list-style-type: none"> <li>BV5.15, Khao Ngam, Wang Noi, Ayutthaya</li> <li>BV RA6MXA, Sai Noi, Nonthaburi</li> <li>BV5.10, Bang Tan, Ban Sang, Prachin Buri</li> <li>BV5.11, Singto Tong, Chachoengsao</li> <li>BV5.9, Pak Nam, Bang Khla, Chachoengsao</li> <li>BV5.20, Khun Sri, Sai Noi, Nonthaburi</li> <li>BV5.17, Wat Yom, Bang Pa-In, Ayutthaya</li> <li>BV5.13, Khlong 12, Nong Chok, Bangkok</li> </ul>	33.64	2.01
8.	GS Engineering & Construction Co., Ltd.	<ul style="list-style-type: none"> <li>HMC PP4 Project, Map Ta Phut, Rayong</li> </ul>	33.06	1.97
9.	Channakorn Engineering Co., Ltd.	<ul style="list-style-type: none"> <li>GCL IDC SW Project, Map Ta Phut, Rayong</li> </ul>	29.30	1.75
10.	Tapee Tractor Co., Ltd.	<ul style="list-style-type: none"> <li>National Highway 418, Yaring (state 3 and state 5)</li> </ul>	29.10	1.74
11.	Prayoonchai (1984) Co., Ltd.	<ul style="list-style-type: none"> <li>Motorway</li> </ul>	23.62	1.41
12.	Jasmine Yala Enterprise Co., Ltd.	<ul style="list-style-type: none"> <li>Bridge Construction, Mueang, Pattani (state 2 and state 5)</li> </ul>	22.63	1.35
13.	P&A Joint Venture Co., Ltd.	<ul style="list-style-type: none"> <li>Central prison, Phatthalung</li> </ul>	22.30	1.33
14.	M.E.C. Engineering Co., Ltd.	<ul style="list-style-type: none"> <li>STGT PS, Sadao, Songkhla</li> <li>STGT-SR3-11 Lines C, Kanchanadit, Surat Thani</li> <li>SR2-7 Line C, Kanchanadit, Surat Thani</li> <li>SR2-6 Line C, Kanchanadit, Surat Thani</li> <li>STGT-SR3 M011 (Sanitation system), Kanchanadit, Surat Thani</li> <li>STCT-SR2 (Sanitation system), Kanchanadit, Surat Thani</li> </ul>	22.21	1.32
15.	Rattaphum Khamai and Construction Co., Ltd.	<ul style="list-style-type: none"> <li>Flood Relief, Mueang, Nakhon Si Thammarat (Contract 1)</li> </ul>	21.26	1.27
16.	Thai Kajima Co., Ltd.	<ul style="list-style-type: none"> <li>AZL Project</li> <li>Linak Apac New Factory</li> <li>AW20, WHA Chonburi Industrial Estate 2</li> </ul>	19.40	1.16
17.	SCG 1995 Co., Ltd.	<ul style="list-style-type: none"> <li>Flood Prevention System in Community Areas, Surat Thani</li> <li>Pile manufacturing work and transported to the site including to hammer bearing unit</li> <li>Bank protection dam</li> <li>2 Reinforced Concrete Bridge, Mueang, Surat Thani</li> <li>Pipe work, Samui, Surat Thani</li> </ul>	18.85	1.12
18.	CM Grand Development Co., Ltd.	<ul style="list-style-type: none"> <li>Phrakhanong Civil Court and Phrakhanong Criminal Court, Sanphawut Road</li> </ul>	18.56	1.11

### 1.3 Shareholding Structure of the Group Companies.

#### 1.3.1 Shareholding Structure of the Group Companies.



#### 1.3.2 Persons who may have conflicts in subsidiaries or associated companies, hold shares more than 10 percent of the voting shares of the Company.

- None -

#### 1.3.3 Relationship with the Business Group

Main business operations of the Company is related to Thai Wire Products Public Company Limited, regarding to the purchase and sale of raw materials, which are in accordance with normal trading conditions.

#### Securities Details of Related Company:

No.	Name	Address	Business Type	Issued and Paid-up Common Stocks (Million Baht)	Shareholding Ratio (%)
1.	Thai Wire Products PLC.	101/88 Moo 20 Nava Nakorn Industrial Estate, Khlong Nueng, Khlong Luang, Pathumthani Telephone No. : (02) 520-3855-64 Facsimile No. : (02) 5203865-66	Manufacturing and distribution of high pressure steel wires	270	9.99



### 1.3.4 Shareholders

#### (1) Major Shareholders

##### (A) Top 10 Major Shareholders

No.	Group of shareholders		As of 11 March 2021	
			Numbers of Shares Held	% of Total Shares
1	Chinteik Brothers Company Limited	*	93,487,400	31.162
2	Nganthavee Group	*	36,213,890	11.984
3	Thai NVDR Company Limited	***	12,857,885	4.286
4	Southern Concrete Pile Public Co.,Ltd.	*	9,000,000	3.000
5	Mr. Vichian Srimuninnimit	**	12,290,000	4.097
6	Mr.Kosin Pobaikul	**	3,822,600	1.274
7	Mrs.Rarin Utakapan Punjarungroj	**	3,677,700	1.226
8	Thai Wire Products Public Co.,Ltd.	*	3,558,500	1.186
9	Mr.Ongart Voravitlikit	**	3,130,700	1.044
10	Mr.Thanakit Lorwatanapongsa	**	3,000,000	1.000

Notes: Relationships with the Company:

\* Nganthavee Group;

\*\* Third-party investors who had no relationship with "SCP";

\*\*\* The Company's shareholders issuing and offering for sale of investment units to investors; whereas, the Stock Exchange of Thailand (SET) is the major shareholders. Investors may retrieve data from the Company's website: [www.scp.co.th](http://www.scp.co.th) prior to the Annual General Meeting.  
Southern Concrete Pile Public Co.,Ltd. - Share Repurchase

#### Change in Holding of the Company's Shares ( As of December 31, 2020)

##### • The Director

Name		Southern Concrete Pile Public Company Limited		
		Own	Spouse and minor child	Increase (Decrease) during the fiscal year
1. Mr. Pongpayome	Vasaputi	-	-	-
2. Mr. Bonguea	Limsuebchuea	-	-	-
3. Mr. Tasanai	Atichati	-	-	-
4. Police Colonel Somyod	Kaewbangkerd	-	-	-
5. Mrs. Arunee	Nganthavee	1,844,870	-	-
6. Mr. Thamrong	Nganthavee	1,030,550	-	-
7. Mr. Suckchai	Nganthavee	-	-	-
8. Mr. Kitja	Nganthavee	1,202,750	-	-
9. Mr. Akapop	Nganthavee	132,860	-	-

- **The Executives**

Name		Southern Concrete Pile Public Company Limited		
		Own	Spouse and minor child	Increase (Decrease) during the fiscal year
1. Miss Tipnara	Nganthavee	2,589,860	-	230,000
2. Mr. Kampanart	Petvaroon	15,000	-	-
3. Mr. Somsak	Wattanatham	75,000	-	-
4. Mr. Taweesak	Wongsuppachart	-	-	-
5. Mr. Amnuai	Emkosa	-	-	-
6. Miss Duangdao	Sukhavanich	-	-	-
7. Mr. Krisana	Sartwathanaroj	-	-	-
8. Miss Tipaporn	Rittawa	-	-	-

- **The Company's Secretary**

Name		Southern Concrete Pile Public Company Limited		
		Own	Spouse and minor child	Increase (Decrease) during the fiscal year
1. Mrs. Nittaya	Chunualsri	-	-	-

(B) A group of major shareholders, who have significantly influences the policies, management or company's operations.

-None-

(2) List of shareholders of the subsidiary operating in main business

-None-

(3) Agreement between major shareholders (Shareholders' agreement) in matters affecting the issuance and offering of securities or the management of the company.

-None-

## 1.4 The Number of Registered and Paid-up Capital

### 1.4.1 Registered Capital / Paid-up Capital

Southern Concrete Pile Public Company Limited has registered capital as at December 31, 2020 of 300 million Baht, paid up capital of 300 million Baht, divided into 300 million common stock with the par value of 1 Baht per share. (The Company had only common stock without any policies of issuing other types of securities).

In 2020, the Company has operate the Treasury Stock project for financial management which bought via the Stock Exchange of Thailand during the period March 31, 2020 - September 29, 2020, the number of treasury shares of 9 million shares, the average price of 5.91 Baht per share in the amount of 53.28 million Baht. According to the relevant rules, the Company will be able sale the treasury share 6 months after the completion of the repurchase date, but must not exceed 3 years from the date of such share repurchase. In case of the expiration of sale to repurchase the treasury share, the Company does not sale or cannot sale all the treasury shares, the relevant law require the Company to reduce their paid-up capital by cutting off the treasury shares and unsold shares.

#### 1.4.2 Other types of Shares with Rights or Conditions Different from Ordinary Shares

- None -

#### 1.4.3 The Company's Convertible Securities are the Underlying Securities for the Issuance of Investment Units of Mutual Funds for Foreign Investors (Thai Trust Fund) and Non-Voting Depository Receipt (NVDR)

- None -

### 1.5 Issuance of other Securities:-

#### 1.5.1 Convertible Securities

- None -

#### 1.5.2 Bond

- None -

### 1.6 Dividend payment Policy

The Company has the dividend payout policy to shareholders at the rate of between 30%-60% of the earnings after deduction of income tax. The percentage may differ during the unusual circumstance, the company may consider a change in the dividend payment during that appropriate period, depending on the operating results, cash flow, financial status, including company's investment plan as approved by the Board of Directors.

Therefore, the Board of Directors has resolved the approval of dividend payment to shareholders, as follows:

Particulars of Dividend Payment	2020	2019	2018	2017	2016
1. Net profit (loss) (Baht)	215,638,326	243,837,088	287,390,838	232,961,614	266,746,650
2. Amount of common shares (Shares)	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
2.1 Less repurchased shares (shares)	(9,000,000)	-	-	-	-
2.2 Remaining number of shares for dividend payment (shares)	291,000,000	300,000,000	300,000,000	300,000,000	300,000,000
3. Dividend per share (Baht per share)					
3.1 Interim Dividend		0.40			
3.2 Remaining Dividend					
3.3 Total Dividend Payment	0.38	0.40	0.50	0.40	0.35
4. Total amount of dividend (Baht)	110,580,000	120,000,000	150,000,000	120,000,000	105,000,000
5. Percent of dividend (percent)	51.28	49.21	52.19	51.51	39.36

The 2020 dividend payment has to be approved by the Annual General Meeting of Shareholders

Dividend Payment Policy of Subsidiaries: - No subsidiary



## 2. Risk Management

### 2.1 Risk management plan and policy.

Southern Concrete Pile Public Company Limited realize the important of Corporate Risk Management (CRM) by developing the Company risk management guidelines according with the international standard and corporate strategy plan to make the risk management systematic, efficiency, effective and being an acceptable level lead to the good corporate governance, in addition to creates satisfaction with the customers and return a well of beneficial to the shareholders and all stakeholders. The Company set the risk management policy are as follows:

- 2.1.1 Make risk management is the responsibility of the exclusive officers and employees all of level which must be understood and share sense of responsibility to develop risk management potential of various departments, in order to able define guidelines and measures to mitigate the impact of risks and to manage business continuity.
- 2.1.2 Establish processes, guideline and measures for risk management, in accordance with good standard, suitable quality according to international practice.

### 2.2 Risks factors from Business Operations.

#### 2.2.1 Risks from Business Operations.

The Company has its manufacturing factories nationwide; as a result, its channels of distribution have covered customers in several regions. Though key accounts of the Company are in the public sector and the private sector, there is no specific gross sales exceeding 30% of the total gross sales, therefore, the Company has no risk factors relating to the loss of any specific key accounts.

- **Financial Risks**

The Company had its risks from fluctuation in financial assets and liabilities under its normal business operation because the Company had various and many groups of accounts receivable without emphasis on any particular major accounts receivable. Therefore, it was expected that the Company would not suffer any significant damage from its failure to collect debts from those accounts receivable. The Company had no policy of business transactions of financial

derivative instruments for speculation and had not operated its businesses for export; therefore, the Company had no risks from exchange rates. Regarding its potential investment, the Company may invest in tools and machinery for its normal production; therefore, there was no impact on its solvency.

- **Legal Risks**

Since the Company's products are manufactured and sold domestically, therefore, there is no risks on trade law or international laws.

- **Labor Risk**

Labor is an essential factor in manufacturing stage. The various industries are facing the labor shortage. Therefore, migrant workers through the MOU is an alternative to solve the labor shortage issue. The migrant workers seek through the MOU is legal.

- **Material Shortage Risk**

The materials used in production are widely available in the country. However, the materials are seek through various suppliers to maintain the price negotiation with the suppliers and material price fluctuation by using long term fixed price or advance purchase according to the work on hand.

- **Competitive Risk**

There are a number of players in this industry. Therefore, the competition is unavoidably high. The Company tries to differentiate in the market by manufacturing quality products, effective and fast services to customers. These helped to maintain the rebuying rate and expand to new customers.

- **Disaster Risk**

The natural catastrophe is the uncontrollable factor. From the severe flooding in the Southern Part of Thailand, the factories were not damaged from the flooding, but the transportation routes were partly affected. The Company had been planning, collaborating, and updating the situations closely with the customers to ensure the projects were still completed effectively and satisfactory

## **2.2.2 Risks on Investment of Securities Holders**

At the end of 2020, the company still had remaining unappropriated retained earnings of Baht 1,752 million and liquidity ratios, (Ratio of current assets to current liabilities) was 6.62 times the ratio of debt to equity (D / E Ratio) ( ratio of total liabilities to shareholders' equity) was 0.16 times and return on equity (ratio of net income to average equity) was 10.40%. From the values above the company considered that there would be a low risk that the investors would possibly lose the entire investment.

However, rates of dividend payment or investment returns to be received by investors shall be subject to the annual operating results of the Company, thus, in accordance with the economic factors and political factors of the country.

## **2.2.3 Risks of investing in foreign securities.**

-None-





## Corporate social responsibility

### 3. Corporate Sustainability

#### 3.1 Sustainable Development Policy :-

Southern Concrete Pile Public Company Limited believed that a truly successful organization will be able to integrate sustainable development into all aspects of the business by not only seeing it as a “should” but “must” thing to do. To create a good corporate sustainability, it takes into account the vision, values and corporate culture which has a clear goal to make the organization have a positive impact both operational aspects and cooperation with stakeholders throughout the Value Chain, in addition to reduce the negative impacts as well. Which the above approach increases the opportunities for economic development, society and environment for the Company’s stakeholders including employees, business alliance, business partner, customer, communities or society. ๖๗๘

The Company conducts our business with a commitment to quality of work and efficiency in accordance with the principles of “Adhere to service, building trust, pay attention to quality and continuous human resource development”. Regarding social responsibility, it is one of the Company’s policies that Southern Concrete Pile Public Company Limited has given continually emphasized throughout the business with the following details:

1. To promote the quality of products and services to make the country’s infrastructure durable and safe, which will affect the welfare of the product users.
2. To encourage the employees to have a good quality of life and complete both physical and mental health
3. To encourage the education, focus on human resources to develop themselves in terms of abilities and quality of life, in order to be used in community development environment, which will affect the society as a whole in the future.
4. Compliance with various laws which are responsible for consumers and employment is not taking advantage, including does not cause of social encroachment for the benefit of society and the nation

#### 3.2 Managing Stakeholder Impacts on the Business Value Chain :-

##### 3.2.1 Business Value Chain :-

The Company realizes the importance of participation of stakeholders by believing that a good relationship is based on trust as well as the opinions and suggestions of stakeholders toward the organization are valuable which will affect the achievement of the goal of being an organization that develops and grows sustainably. In addition, stakeholder management helps the organization to respond effectively to the needs of stakeholders, it also reduces the risk that will cause of damage to the image and the opportunity for business interruption including of being able to create the most benefits for all stakeholders. The Company has regular communication with stakeholders to create an understanding of the issues of interest and to receive an opinion of stakeholders to integrate them in to the decision-making process and business planning process of the Company.

##### 3.2.2 Stakeholders in the Business Value Chain :-

In 2020, the Company places great emphasis on conducting the business under the principles of good governance on the basis of social and environmental responsibility in order to deliver long-term value to all stakeholders, thus building engagement with stakeholders is truly the majority of development of sustainable organization, the Company therefore conducts the operation with stakeholders by identifying and ranking the organization’s key stakeholders to cover the entire business value chain including finding methods to respond the expectations efficiently and appropriately in order to use the information obtained to plan, create a guideline for further engagement with stakeholders. The Company divided stakeholders into 7 main groups: 1) Shareholders 2) Investors 3) Government Agencies and Related Agencies 4) Employees 5) Business Partners and Contractors 6) Customers 7) Communities and Social. The types of communication and participation of stakeholders are vary with the following details:

Stakeholders	Engagement Channels	Issues that Stakeholders Focus on	Company Operation
1. <b>Shareholders :-</b> Majority and Minority Shareholders	<ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders</li> <li>Various channels such as Company website, Phone call, Mail, etc.</li> <li>Allowing shareholders to various rights in attending the Annual General Meeting of Shareholder fully and equitably such as inquiring and voting.</li> <li>Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Good performance, share prices and high dividend received.</li> <li>The continuous expansion of the Company's business growth.</li> <li>The Company's transparency in business operations and good corporate governance.</li> <li>Risk Management</li> <li>Business Investment</li> <li>Allowing shareholders to various rights in attending the Annual General Meeting of Shareholder fully and equitably.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management</li> <li>Code of Business Conduct</li> <li>Business opportunities</li> <li>Stability and readiness of production operations.</li> </ul>
2. <b>Investors :-</b> Bank / Financial Institution / Credit Rating Agencies / Analyst	<ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders</li> <li>Various channels such as Company website, Phone call, Mail, etc.</li> <li>Publication of Company operations through Annual Report / Financial Report.</li> </ul>	<ul style="list-style-type: none"> <li>Good performance, share prices and high rate dividend received.</li> <li>The continuous expansion of the Company's business growth.</li> <li>The Company's transparency in business operations and good corporate governance.</li> <li>Business operation which take into account environment social factors.</li> <li>Providing comprehensive and sufficient information to forecast the Company's operating results.</li> <li>Financial stability including financial ratios, debt levels and debt servicing ability.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management</li> <li>Code of Business Conduct</li> <li>Business opportunities</li> <li>Stability and readiness of production operations.</li> </ul>
3. <b>Government Agencies and Related Agencies :-</b> Government agency / State enterprise / Administrative Organization	<ul style="list-style-type: none"> <li>Ongoing participation in government agencies' activities and projects.</li> <li>Follow up on policies, rules, regulations and requirements.</li> <li>Completely reporting of the operating results as required by law.</li> <li>Supporting activities and responding to government policies.</li> <li>Communication channel between Companies and Government agencies, such as Website, Phone call, Mail, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulations, laws and good corporate governance policies, including accurate disclosure, submission and reports.</li> <li>Taking care of social and environmental responsibility.</li> <li>Sustainable coexistence with the community.</li> <li>Cooperation to support projects of government agencies.</li> <li>To cooperate and support government activities.</li> <li>Strict compliance with rules and laws.</li> <li>Payment of taxes, fees, license fees.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management</li> <li>Code of Business Conduct</li> <li>Business opportunities</li> <li>Environmental management including air pollution control and management of water, polluted water.</li> <li>Sustainable community development.</li> </ul>
4. <b>Employees :-</b> Executives / Employees	<ul style="list-style-type: none"> <li>Organizing a general meeting of the Company to provide executives opportunities to talk with employees (Town Hall Meeting).</li> <li>Internal communication via the various channels.</li> <li>Interviews with employee representatives and a survey of customers' perceptions to the company.</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the development of employee potential in accordance with the strategic direction of the company.</li> <li>Taking care of the Company employees' quality of life including health and safety in the work environment.</li> <li>Good compensation and benefits including opportunities and career advancement.</li> <li>Fair performance evaluation system.</li> <li>Income stability</li> <li>Equal treatment</li> <li>Leadership development</li> <li>Talent Retention</li> </ul>	<ul style="list-style-type: none"> <li>Personnel development including training, fostering diversity, equality in the organization and taking care of the personnel to have a good quality of life.</li> <li>Human rights.</li> <li>Occupational health and safety in workplace.</li> </ul>
5. <b>Business Partners :-</b> Deliverer / Contractor	<ul style="list-style-type: none"> <li>Annual supplier audit</li> <li>Partner Satisfaction Survey</li> <li>Channels for receiving complaints and communication between Company and Business Partner and Contractor such as Website, Phone call, Mail, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Fair competition which does not discriminate.</li> <li>Relationships and cooperation to grow together.</li> <li>Efficient, transparent and verifiable procurement system.</li> <li>Fair, clear, transparent and variable procurement policy.</li> <li>Perform in accordance with the specified agreements and not taking advantage of the Business Partners.</li> <li>No complicated purchasing requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management</li> <li>Code of Business Conduct</li> <li>Supply Chain management</li> </ul>

Stakeholders	Engagement Channels	Issues that Stakeholders Focus on	Company Operation
<b>6. Customers :-</b> Trade Customers	<ul style="list-style-type: none"> <li>Customer Satisfaction Survey</li> <li>Channels for receiving complaints and communication between Company and Customer such as Website, Phone call, Mail, etc.</li> <li>Conduct Customer questionnaires.</li> </ul>	<ul style="list-style-type: none"> <li>Delivering quality products and services in accordance with contract terms at fair prices.</li> <li>The stability of the production system and distribution.</li> <li>Responding to customer needs in a timely manner with a team that has knowledge and ability to solve problems promptly.</li> <li>Equal treatment of all customers.</li> <li>Convenient, quick and easy access to customer communication channels.</li> <li>Together looking for new business opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Customer relationship management.</li> <li>Stability and readiness of production operations.</li> </ul>
<b>7. Communities and Social :-</b> Communities surrounding the new project area / Communities surrounding the factory area Location	<ul style="list-style-type: none"> <li>Visiting community representatives, including promoting and supporting both monetary and non-monetary factors.</li> <li>Channels for public relation and receiving matters of community complaints such as Website, Phone call, E-Mail, Mail and other local media.</li> </ul>	<ul style="list-style-type: none"> <li>Management to reduce social and environmental impacts that may arise from the Company's operations.</li> <li>Conduct the business with safety and care for the environment.</li> <li>Career promotion and generates income.</li> <li>Supporting activities with the community.</li> <li>Providing opportunities for people in the community to work with the company.</li> <li>Efficient use of resources.</li> <li>Business development along with community, society, economy and environment for sustainable growth both directly and indirectly.</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management</li> <li>Code of Business Conduct</li> <li>Sustainable coexistence with the community</li> </ul>

### 3.3 Sustainability management in the environmental dimension :-

The Company is committed to conduct the business with sustainability on the basis of environmental responsibility, by recognize and give importance to reduce the environmental impact arising from business operations, thus products and services therefore has a policy to promote the development of the production process and create innovation to reduce the impact that may occur. The Company has set goals for the use of natural resources with knowledge of value and reduces the use of limit natural energy along with preparing the plans and various measures to take part in solve global warming problems by using sola cell process involved in the production process.

#### 3.3.1 Environmental Policy :-

Carrying the environment nowadays, the Company place great emphasis on environmental protection, due to the carry out projects that are well protect against environmental impact will help the Company able to carry out construction projects smoothly and complete on time. Therefore, the Company has a prevent the environmental impact from the operations in accordance with laws, as well as getting involved with other sectors of society in organizing activities to maintain and improve the environment quality. In addition, employees are also encouraged to develop knowledge on environmental protection and resource use by provide knowledge with regular annual training, with the following principle of operation by:

- Use natural resources, materials or equipment efficiency and effectiveness.
- Those involved in the production process and machines are responsible for improving and maintaining the production process or machinery to be in accordance with the established standards to reduce the use of natural resources and emissions.

#### 3.3.2 Environmental Performance :-

Environmental operations in the production process.

Policy Framework	Operation	Goal
Environmental quality management in accordance with laws and regulations along with investment in developing and improving the environmental management system including find new measures to improve the efficiency of environmental management both inside and outside the organization.	<ul style="list-style-type: none"><li>• Maintenance of machinery / equipment on time to maintain the efficiency manufacture.</li><li>• Based on 3 R (Reduce, Reuse, Recycle) in determining measures to reduce the amount waste both in the production process and the office.</li></ul>	<ul style="list-style-type: none"><li>• Reduce the amount of electricity consumption according to plan.</li><li>• No environmental complaints.</li></ul>

Other environmental impact, the Company has measures for the maintenance of air conditioners and machinery to reduce the pollution that affects the greenhouse effect.



### 3.4 Sustainability management in the social dimension:-

#### Corporate Social Responsibilities : CSR

The Company has a policy to conduct business with responsibility toward society, community and environment to support activities to improve the quality of life and create benefits for the community including to encourage and instill a sense of social responsibility, environment and community for employees at all levels. Furthermore, to encourage employees to participate in community activities or projects, as well as campaigning to conserve energy and resources efficiently.

##### 1. Activities for society, community and environment:-

The Company has encouraged and instilled a sense of social responsibility, environment, and community for employees at all levels as well as campaigning for conservation for efficient use of emery and resource. The Company provide support and assistance to society including the maintenance of various forms of religion and there is a constant encourage of employees to participate in such activities. The activities that have been carried out in 2020 are as follows:

- Donate to buy a dialysis machine, Sri Rattanakosin Foundation.
- Support education, Southern School for Blind Surat Thani Province
- Donate for use in hospital affairs, Vachira Phuket Hospital
- Donate to buy land for the temple, Wat Pracha Santi
- Project to support scholarships and donate things to children, Ban Huay Mafai, Chon Buri
- Aim Jai Project, Manna Home Photharam Women and Children Foundation, Ratchaburi
- Sharing Love, Sharing Kindness to Children Project, Aid center People with mental retardation in the southern region of Songkhla”
- Mercy Support Project Contribution to the Children, Southern School for Blind Surat Thani Province

#### Photos of sustainable activities in the dimension of society :

- Project to support scholarships and donate things to children, Ban Huay Mafai, Chon Buri





- Aim Jai Project, Manna Home Photharam Women and Children Foundation, Ratchaburi



- Sharing Love, Sharing Kindness to Children Project, Aid center People with mental retardation in the southern region of Songkhla”



- Mercy Support Project Contribution to the Children, Southern School for Blind Surat Thani Province



## 2. Activities for employees :-

The Company held an Annual General Meeting to announce the policy and operating guideline to the employees, so that all departments have guideline to operate in the same direction and archive the goals, in addition it is a meeting and exchange of work experience, strengthen the relationship and unity among employees annually continuously. This activity conform with the System Control Project: SCP which trophies and cash prizes are awarded to factories with excellent scores according to the specified topic for morale in improving and developing operations in various fields keep it even better.

23 Primary and secondary scholarships are awarded to employees 'children, in 2020. To create unity among the group and annual merit-making activities

### Activities pictures

- The 2020 Annual General Meeting, Trophies and cash prizes awarding ceremony to factories with excellent scores according to the special topic, in System Control Project: SCP and primary and secondary scholarships are awarded to employees 'children,





### 3. Employee Training and Development :-

The company continually places great emphasis on the development of talent and potential of the employees both in management skills, team building professional learning and thinking outside the box for organizational success.

#### 3.4.1 Social Policies and Practices :-

##### 1) *Employee Care Policy*

- Encourage a good quality of life at work to provide a good working environment, have occupational health and safety at work with regard to international standards.
- Encourage employees to grow in their careers based on their knowledge and abilities.
- Encourage employees to take part in organizational development.
- Manage the compensation system including various welfare to be appropriate and fair.
- Continuously develop employees' competence in order to be ready to support the growth of the company.

##### 2) *Safety, Occupational Health and Working Environment Policy*

- Encourage and develop the occupational health safety management system and working environment in accordance with international standards, in strict accordance with the laws and other relevant requirements.
- Control and prevent the loss in various ways as well as to maintain a safe working environment, it is the responsibility of all management and employees to report accidents or incidents in accordance with established procedures.
- Provide public relations and communication to create knowledge and understanding in addition disseminate to relevant stakeholders and perform correctly
- In case any practice is found unsafe, does not comply with standard requirements, or may have an impact on safety, occupational health and working environment; to stop working as far as possible temporarily and notify the relevant parties accordingly for corrective action
- Follow-up and evaluate the performance to achieve serious action and achieve maximum efficiency.

##### 3) *Customer Relationship Management:-*

Principle	Method of operation	Goal
<ul style="list-style-type: none"><li>• Produce and deliver products and services with quality and responsibility to customers.</li></ul>	<ul style="list-style-type: none"><li>• To discuss production guidelines and set up work plans with customers on a regular basis.</li></ul>	<ul style="list-style-type: none"><li>• Can be a dependency on the production capacity and to strengthen the confidence of customers.</li></ul>
<ul style="list-style-type: none"><li>• Strictly abide by the conditions set out to the customers. If this is not possible, notify the customer to jointly find a solution.</li></ul>	<ul style="list-style-type: none"><li>• Prepare to produce products to meet customers' needs in both quantity and quality.</li></ul>	<ul style="list-style-type: none"><li>• Fines arising from errors in the delivery of non-contractual products must not be exceeded or not exceeded each year.</li></ul>

##### 4) *Corporate Social Responsibility:-*

- Build and maintain the image of the organization's credibility to be recognized and trust from the community and society as a whole.
- Respect the customs, traditions, culture and way of life of each locality.
- Encourage the efficient use of energy.
- Make use of natural resources that have the least impact on communities and society.

#### Society and Environment Policy

- Encourage the participation of the community and emphasize on communication for living with the community in a good neighborhood manner.
- Encourage creative activities and improve the quality of society.
- Encourage the development and promotion of the strength of the community for a good and sustainable quality of life.
- Encourage conservation and revive local traditions.

#### **3.4.2 Social Performance:-**

We develop the company to be known and responding to customer needs for prestressed concrete products and services with responsibility to customers, participation in the development of the community and society related to the business process, including the fair treatment of labor to respect human rights throughout the value chain.

##### **(1) Employees and Labor : -**

The company adheres to the principles of human rights from employment until taking care of personnel, so that all personnel have a feeling of attachment to the organization. The important employee operations are as follows:

#### Employment

Details	Number (people)
Permanent employees	1,225
Disabled employees	7
<b>Total</b>	<b>1,232</b>

For employment of people with disabilities, the company has fully complied with the employment of persons with disabilities Act. In addition to hiring people with disabilities to work, the Company has also contributed funds to the promotion and development fund for the quality of life of the disabled, proportional to the number of people with disabilities that the company is unable to employ.

#### Training

In 2020, the company held 24 training courses for employees to increase skills and work potential, with 586 of employees receiving the training, which is more than 10% of the total number of employees in the company set by the Department of Skill Development in 2020.

#### Organizational Commitment

In 2020, employees voluntarily quit their jobs at 4.6%, decrease by 9.4% from the previous year.

#### Safety, Occupational Health and Working Environment

In 2020, the Company continuously develop and improve the efficiency of safety operations to reduce the risk of illness, injury or death. The Company provide training on operational safety in the production plant and employees who have to go out to work outside.

(2) Customer

Customer satisfactory development for the business's sustainability.

The Company has the customer satisfactory survey to assess the quality and trust feedback from the customers. The survey aims for us to understand the problems, issues, and complaints from the sale process, product quality, transportation service, installation service and accounting and financing in every factory. This will lead us to analyst and improve our existing system continuously.

The customer's satisfactory level in 2020 as follow:

Unit : %

Factory	Q1	Q2	Q3	Q4	AVG.
Phuket	92	96	87	95	93
Surat Thani	88	93	90	88	90
Hat Yai	88	93	91	92	91
Ban Beung	90	89	88	87	92
Udon Thani	91	92	93	91	92
Nakorn Pathom	91	88	89	77	86
AVG.	90	92	90	88	91

The Company aims the customer satisfactory level must not be less than 80%, and in 2020 the customer satisfaction score has improved from 87 points to 91 points.



## 4. Management Discussion and Analysis (MD&A)

### 4.1 Operations Analysis and Financial Status

#### Summary the company performance in 2020

Southern Concrete Pile Public Company Limited (the company hereafter) reports the company's performance of 2020 compared to 2019 and 2018. The details of company performance are as follows:

Thousand Baht		YEAR						YoY			
								2020/2019		2019/2018	
		2020	%	2019	%	2018	%	+ / -	%	+ / -	%
Revenue	Revenue from sales	1,270,255	76.42%	1,449,535	75.27%	1,545,937	75.59%	(179,280)	(12.37%)	(96,402)	(6.24%)
	Revenue from rendering of services	391,887	23.58%	476,189	24.73%	499,118	24.41%	(84,302)	(17.70%)	(22,929)	(4.59%)
	Total Revenue	1,662,142	99.13%	1,925,724	98.24%	2,045,055	98.87%	(263,582)	(13.69%)	(119,331)	(5.84%)
	Other income	14,576	0.87%	34,445	1.76%	23,457	1.13%	(19,869)	(57.68%)	10,988	46.84%
	otal Revenue	1,676,718	100.00%	1,960,169	100.00%	2,068,512	100.00%	(283,451)	(14.46%)	(108,343)	(5.24%)
Cost	Cost of sales	889,570	70.03%	1,050,451	72.47%	1,101,466	71.25%		(2.44%)		1.22%
	Cost of services	304,735	77.76%	372,242	78.17%	383,920	76.92%		(0.41%)		1.25%
	Total Cost of sales and rendering of services	1,194,305	71.85%	1,422,693	73.88%	1,485,386	72.63%		(2.03%)		1.25%
	Gross Profit	467,837	28.15%	503,031	26.12%	559,669	27.37%		2.03%		(1.25%)
Selling and administrative expenses		203,838	12.16%	226,808	11.57%	222,175	10.74%		0.59%		0.83%
Profit before interest & tax		278,575	16.61%	310,668	15.85%	360,951	17.45%		0.76%		(1.60%)
Finance costs		4,369	0.26%	5,171	0.26%	3,460	0.17%		0%		0.09%
Income tax		58,568	3.49%	61,660	3.15%	70,099	3.39%		0.34%		(0.24%)
Net profit for the year		215,638	12.86%	243,837	12.44%	287,392	13.89%		0.42%		(1.45%)
EBITDA		355,113		386,054		426,670					
Basic earnings per share (Baht)		0.73		0.81		0.96					
Dividend Summary - Baht per share		0.38		0.40		0.50					
Payout Ratio (% of Net Profit)		51.28%		49.21%		52.19%					
Dividend Yield (%)		6.56%		8.47%		4.71%					

#### 1. Overall performance in 2020 :-

The Covid-19 pandemic in 2020 has slowed down the economy resulting in postponing the projects in both public and private sector. The upcoming projects also have been postponed to 2021. Thus, the company has been managing the cost control and debt collection period effectively. The performance is as follow:

- Revenue of 1,676.718 million Baht, decreased 14.46% yoy (consisted of sales income of 1,270.255 million Baht (decreased 12.37% yoy), service income of 391.887 million Baht (decreased 17.70% yoy), and other income of 14.576 million Baht (decreased 57.68% yoy))
- Cost of goods sold and service 1,194.305 million Baht
- Selling and administrative expense 203.838 million Baht
- Gross profit decreased to 467.837 million Baht
- Net profit decreased to 215.638 million Baht
- Profit per share 0.73 Baht/share
- Dividend 0.38 Baht/share, or 51.28% of profit

In 2020, the company has introduced the new TFRSs related to financial instrument into the effect in total of 5 issues which were issue number 7, 9, 32, 16, 19 and TFRS 16 Leases. However, these financial instruments did not significantly affect the company's financial performance.

In quarter 3/2020, the company has repurchased the share total of 9,000,000 shares or 3% of shares with total value of 53,210,626 million Baht. The company also purchased the land at Suratthani plant with the total of value of 59,114,457 Baht. These executions were not significantly affected the financial status of the company.

## **2. Performance and Profitability :-**

### **2.1 Revenue**

During 2018-2020, the company had the total revenue from the sale income and service income at 2,045.055 million Baht, 1,925.724 million Baht, and 1,662.142 million Baht respectively. In 2019 and 2020 the revenue decreased 5.84% yoy, and 13.69% yoy respectively. The performance has been decreased from the overall downturn of both private and public sectors. The main projects that the company has been working on are:

- Provincial Electricity Authority (PEA)
- Motorway Bangyai-Kanchanaburi, Contract Number 24
- Flood Mitigation Project, Suratthani (Phase 2)
- Flood Mitigation Project, Nakorn Sri Thammarat Contract 3
- Prison, Patthalung
- New Passenger Building, Nakorn Sri Thammarat Airport etc.

In 2018-2020, the other income was at 23.457 million Baht, 34.445 million Baht and 14.576 million Baht respectively. In 2020, the other income was consisted of interest receipt of 7.645 million Baht, dividend of 1.996 million Baht, bad debt recovery 2.055 million Baht and others of 2.880 million Baht etc

### **2.2 Cost and Expenses**

During 2018-2020, the company had the cost of goods sold for sales at 1,101.466 million Baht, 1,050.451 million Baht and 889.570 million Baht or 71.25%, 72.47% and 70.03% respectively, increased by 1.22% yoy in 2019 and reduced by 2.44% yoy in 2020. On the same period, the cost of goods sold for services were at 383.920 million Baht, 372.242 million Baht and 304.735 million Baht or 76.92%, 78.17% and 77.76% respectively, increased by 1.25% yoy in 2019 and reduced by 0.41% in 2020. The cost of goods sold reduced due to the effective cost management through material sourcing according to the lower selling price under competitive market condition.

Selling and administrative expenses during 2018-2020 were at 222.175 million Baht, 226.808 million Baht and 203.838 million Baht or 10.74%, 11.57% and 12.16% respectively. In 2019, the expense was higher mainly from the new labour protection act B.E.2541 to increase the non-current provisions for employee benefits of 11.682 million Baht, doubtful account of 5.743 million Baht. In 2020, the expense increased 0.59% from the doubtful account of 3.815 million Baht and amortization of land, building and vehicles of 5.691 million Baht which these doubtful account and amortization were amended according to the new act in effect in 2020.

### **2.3 Profitability**

In 2020, the company had controlled the cost effectively which resulted in the company had the gross profit increased to 28.15% of revenue (26.12% of revenue in 2019 and 27.37% of revenue in 2018). The net profit increased to 12.86% of revenue (12.44% of revenue in 2019 and 13.89% of revenue in 2018).

From above, the company had the net profit of 215.638 million Baht in 2020, profit per share of 0.73 Baht and retained earnings increased to 1,834.931 million Baht, consisted of legal reserve of 30.000 million Baht and unappropriated of 1,751.720 million Baht and EBITDA of 355.113 million Baht.

### 3. Asset Management :-

#### Statements of Financial Position

As of 31 December 2020, the company had the total asset of 2,398.461 million Baht, increased from 2018 and 2019, which were at 2,348.501 million Baht and 2,379.945 million Baht respectively. The increment was partly from the current assets in cash, mutual fund, 6-12 months short-term deposit of 28.216 million Baht and trade accounts receivable and other current receivables reduced by 40.978 million Baht.

Non-current assets increased in fixed asset of 85.382 million Baht mainly from the land purchasing at Suratthani plant location of 59.114 million Baht, the equipment and machinery investment for production line of 13.516 million Baht, mould of 9.214 million Baht and others of 3.537 million Baht. For the right-of-use-assets increased by 29.660 million Baht from the new financial reporting standard issue 16 which replaced the issue 17.

In 2020, the returns on assets and return rate of fixed asset and asset turnover ratio decreased to 9.03%, 47.96% and 0.70 times respectively. In 2019, the values were 10.31%, 52.74% and 0.83 times respectively. In 2018, the values were 12.72%, 59.18% and 0.92 times respectively. This was due to the decrease in profit.

### 4. Liquidity and Capital :-

As of 31 December 2020, the company had the net cash increased to 263.070 million Baht from 405.741 million Baht. The amount incurred from the net cash from operation 281.858 million Baht, deducted by investing activities of 246.175 million Baht and investing in financing activities of 178.353 million Baht. These led to lower net cash by 142.671 million Baht.

The net cash from operation of investing activity in fixed assets of 85.382 million Baht, mainly the land investment at Suratthani plant of 59.114 million Baht, equipment, machine, mould, building pile driving equipment for spun pile. This is to be added with net cash received from disposal current investments of 58.000 million Baht. The net cash from financing activity for dividend payout of 119.996 million Baht, payment for treasury stock of 53.210 million Baht and repayment lease liabilities 3.755 million Baht.

Financial Ratios	2020	2019	2018
Current Ratio (times)	6.62	5.74	4.89
Cash Cycle (Day)	112.79	101.37	95.86
Return on Equity (%)	10.40	11.99	14.65
Return on Assets (%)	9.03	10.31	12.72
Debt to Equity (times)	0.16	0.17	0.20

From the current ratio and cash cycle analysis, during 2018-2020, the company had a healthy current ratio and ability to pay back the short-term debts in the past three years. For the return on equity and return on assets had decreased to 10.40% and 9.03% respectively from lower profit.

For the debt to equity ratio (D/E) during 2018-2020 were 0.20 times, 0.17 times and 0.16 times respectively and been decreasing in the past 3 years due to the payback of lease liabilities and no new loans have been made.

#### **Dividend Payout :-**

For the 2020 performance, the committee meeting on February 25, 2021 has agreed to payout the dividend of 0.38 Baht per share, total of 110.580 million Baht, or 51.28% of profit.

### **5. Financial Leverage and Off-Balance Sheet Transactions Management**

As of December 31, 2020, the company had committed the letter of guarantees issued by domestic banks to parties for business operation of 123 million Baht (137 million Baht in 2019). The letter of guarantee issued by the banks with land, asset and machinery mortgage activity.

As of December 31, 2020, the company has committed the lease agreement validity at year end of 2023 of 2.080 million Baht (10.340 million Baht in 2019). This is mainly from rent a plot of land, cars, security agreement and photo copy machine.

#### **4.2 Factor of Future financial impact**

In 2020, the company has the investment plan in fixed assets in all of the company's factories to serve the long-term product demand. However, these investments would not significantly affect the company's cash flow.

### **6. Financial Ratio**

#### **6.1 Liquidity Ratio:-**

		<b>2020</b>	<b>2019</b>	<b>2018</b>
Current Ratio	(times)	6.62	5.74	4.89
Quick Ratio	(times)	5.76	5.01	4.11
Cash Ratio	(times)	1.05	1.18	0.91
Account Receivable Turnover	(times)	4.07	4.50	5.06
Average Collection Period	(day)	88.38	80.03	71.17
Inventory Turnover	(times)	5.62	6.17	6.14
Average Inventory Period	(day)	64.07	58.32	58.67
Payable Turnover	(times)	9.08	9.74	10.60
Average payment period	(day)	39.65	36.98	33.98
Cash Cycle	(day)	112.79	101.37	95.86

#### **6.2 Profitability Ratio:-**

		<b>2020</b>	<b>2019</b>	<b>2018</b>
Gross profit margin	(%)	28.15	26.21	27.37
Operating Profit Margin	(%)	16.76	16.13	17.65
Net profit margin	(%)	12.86	12.44	13.89
Other profit margin	(%)	0.87	1.76	1.13
Return On Equity	(%)	10.40	11.99	14.65
Cash on Operating Profit	(%)	101.18	115.83	79.17

6.3 Efficiency Ratio:-

		2020	2019	2018
Return On Assets	(%)	9.03	10.31	12.72
Return on Fixed Assets	(%)	47.96	52.74	59.18
Assets Turnover	(times)	0.70	0.83	0.92

6.4 Financial Policy Ratio:-

		2020	2019	2018
Debt to Equity	(times)	0.16	0.17	0.20
Interest Coverage	(times)	63.76	60.08	104.32
Debt Service Coverage ratio	(times)	1.74	1.89	2.11
Debt Service Coverage ratio (Cash Basis)	(times)	2.24	2.78	2.11
Dividend to profit ratio	(%)	51.28	49.21	52.19
Dividend yield	(%)	6.56	8.47	4.71

**Information per share and growth rate :-**

6.5 Information per share:-

		2020	2019	2018
Book Value Per Share	(baht)	6.91	6.78	6.54
Basic Earnings Per Share	(baht)	0.73	0.81	0.96
Dividend Per Share	(baht)	0.38	0.40	0.50

6.6 Growth rate:-

		2020	2019	2018
Total assets	(%)	0.78	1.34	8.16
Total Liabilities	(%)	(6.03)	(10.45)	4.16
Revenue	(%)	(13.69)	(5.84)	28.40
Expenses	(%)	(10.13)	2.09	9.25
Net profit	(%)	(11.56)	(15.16)	23.36

**Debenture's information or bills of exchange**

-None-

## Management Discussion and Analysis

(Details in consolidated financial statements)

Unit : thousand baht

Key financial statement	2020	%	2019	%	2018	%
Revenue from sales	1,270,255	76.42	1,449,535	75.27	1,545,937	75.59
Revenue from rendering of services	391,887	23.58	476,189	24.73	499,118	24.41
Total revenue from sales and rendering of services	1,662,142	99.13	1,925,724	98.24	2,045,055	98.87
Other income	14,576	0.87	34,445	1.76	23,457	1.13
Total revenues	1,676,718	100	1,960,169	100	2,068,512	100

Key financial statement	2020	%	2019	%	2018	%
Cost of sales	889,570	70.03	1,050,451	72.47	1,101,466	71.25
Cost of rendering of services	304,735	77.76	372,242	78.17	383,920	76.92
Finance costs	4,369	0.26	5,171	0.26	3,460	0.17

Key financial statement	2020	%	2019	%	2018	%
Gross profit	467,837	28.15	503,031	26.12	559,669	27.37
Net Profit	215,638	12.86	243,837	12.44	287,391	13.89
Total comprehensive income for the year	212,617	12.68	221,915	11.32	281,780	13.62
Basic earnings per share	0.73		0.81		0.96	

Key financial statement	2020	2019	2018
Authorized share capital	300,000	300,000	300,000
Treasury stock	53,210		
Equity	2,072,611	2,033,201	1,961,285
Share capital (share)	300,000,000	300,000,000	300,000,000
Number of share repurchased	9,000,000		

Key financial statement	2020	2019	2018
EBITDA	355,113	386,054	426,670



#### 4.3 Performance of 2020 compared to 2019 and 2018. The details of company performance are as follows:

##### - Summary of financial status and operating results

Southern Concrete Pile Public Company Limited

Statements of financial position

As at December 31

##### Assets

	2020		2019		2018	
	In Baht	%	In Baht	%	In Baht	%
<b>Current assets</b>						
Cash and cash equivalents	263,070,305	10.97	405,741,732	17.05	233,175,206	9.93
Current investments	-	-	571,547,456	24.02	599,970,557	25.55
Trade accounts receivable and other current receivables	400,696,129	16.71	441,674,673	18.56	443,378,514	18.88
Inventories	213,654,623	8.91	211,458,158	8.89	249,497,782	10.62
Other current financial assets	742,434,568	30.95	-	-	-	-
Retention receivables	21,876,931	0.91	25,820,494	1.08	52,404,645	2.23
<b>Total current assets</b>	<b>1,641,732,556</b>	<b>68.45</b>	<b>1,656,242,513</b>	<b>69.60</b>	<b>1,578,426,704</b>	<b>67.21</b>
<b>Non-Current Assets</b>						
Other non-current financial assets	74,490,510	3.11	-	-	-	-
Other long-term investments	-	-	78,267,080	3.29	125,204,450	5.33
Property, plant and equipments	612,202,787	25.52	606,272,063	25.47	604,210,497	25.73
Right-of-use assets	29,660,588	1.24	-	-	-	-
Restricted deposit at banks	23,373,372	0.97	23,252,747	0.98	23,030,398	0.98
Deferred tax assets	7,034,122	0.29	9,629,937	0.40	223,030	0.01
Other non-current assets	9,967,562	0.42	6,280,748	0.26	17,405,542	0.74
<b>Total non-current assets</b>	<b>756,728,941</b>	<b>31.55</b>	<b>723,702,575</b>	<b>30.40</b>	<b>770,073,917</b>	<b>32.79</b>
<b>Total Assets</b>	<b>2,398,461,497</b>	<b>100.00</b>	<b>2,379,945,088</b>	<b>100.00</b>	<b>2,348,500,621</b>	<b>100.00</b>

### Liabilities and equity

	2020		2019		2018	
	In Baht	%	In Baht	%	In Baht	%
<b>Current liabilities</b>						
Trade accounts payable and other current payables	223,370,557	9.31	255,117,222	10.72	286,573,533	12.20
Current portion of financial lease liabilities	-	-	3,652,219	0.15	7,327,673	0.31
Current portion of lease liabilities	4,488,069	0.19	-	-	-	-
Accrued income tax	20,166,653	0.84	29,708,283	1.25	29,177,770	1.24
<b>Total current liabilities</b>	<b>248,025,279</b>	<b>10.34</b>	<b>288,477,724</b>	<b>12.12</b>	<b>323,078,976</b>	<b>13.75</b>
<b>Non-current liabilities</b>						
Financial lease liabilities	-	-	2,439,222	0.10	6,076,071	0.26
Lease liabilities	24,342,067	1.01	-	-	-	-
Non-current provisions for employee benefits	53,482,880	2.23	55,827,315	2.35	58,060,089	2.47
<b>Total non-current liabilities</b>	<b>77,824,947</b>	<b>3.24</b>	<b>58,266,537</b>	<b>2.45</b>	<b>64,136,160</b>	<b>2.73</b>
<b>Total liabilities</b>	<b>325,850,226</b>	<b>13.58</b>	<b>346,744,261</b>	<b>14.57</b>	<b>387,215,136</b>	<b>16.48</b>
<b>Equity</b>						
<b>Share capital</b>						
Authorized share capital	300,000,000		300,000,000		300,000,000	
Issued and paid-up share capital	300,000,000	12.51	300,000,000	12.61	300,000,000	12.77
<b>Retained earnings</b>						
Appropriated						
Legal reserve	30,000,000	1.25	30,000,000	1.26	30,000,000	1.28
Treasury stock reserve	53,210,626	2.22	-	-	-	-
Unappropriated	1,751,719,935	73.04	1,709,288,235	71.82	1,599,822,997	68.12
Treasury stock	(53,210,626)	(2.22)	-	-	-	-
Other components of equity	(9,108,664)	(0.38)	(6,087,408)	(0.26)	31,462,488	1.35
<b>Total equity</b>	<b>2,072,611,271</b>	<b>86.42</b>	<b>2,033,200,827</b>	<b>85.43</b>	<b>1,961,285,485</b>	<b>83.52</b>
<b>Total liabilities and equity</b>	<b>2,398,461,497</b>	<b>100.00</b>	<b>2,379,945,088</b>	<b>100.00</b>	<b>2,348,500,621</b>	<b>100.00</b>

Southern Concrete Pile Public Company Limited

Statement of retained earnings

For the year ended December 31

	2020 (in Baht)	2019 (in Baht)	2018 (in Baht)
<b>Unappropriated</b>			
Beginning balance	1,709,288,235	1,599,822,997	1,432,432,159
Add Profit (Loss) for the year	215,638,326	243,837,088	287,390,838
<b>Less Retained Earnings Appropriation-Legal reserve</b>			
Transfer to retained earnings	-	15,628,150	-
Treasury stock reserve	(53,210,626)	-	-
Dividend to shareholder of the Company	(119,996,000)	(150,000,000)	(120,000,000)
<b>Ending balance</b>	<b>1,751,719,935</b>	<b>1,709,288,235</b>	<b>1,599,822,997</b>

Southern Concrete Pile Public Company Limited

Statements of comprehensive income

For the year ended December 31

	2020		2019		2018	
	In Baht	%	In Baht	%	In Baht	%
<b>Revenues</b>						
Revenue from sales	1,270,255,285	75.76	1,449,534,778	73.95	1,545,937,334	74.74
Revenue from rendering of services	391,887,410	23.37	476,189,058	24.29	499,117,835	24.13
<b>Total revenue from sales and rendering of services</b>	<b>1,662,142,695</b>	<b>99.13</b>	<b>1,925,723,836</b>	<b>98.24</b>	<b>2,045,055,169</b>	<b>98.87</b>
Other income	14,576,094	0.87	34,445,748	1.76	23,456,886	1.13
<b>Total revenues</b>	<b>1,676,718,789</b>	<b>100.00</b>	<b>1,960,169,584</b>	<b>100.00</b>	<b>2,068,512,055</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of sales	889,570,035	53.05	1,050,450,679	53.59	1,101,466,216	53.25
Cost of rendering of services	304,735,258	18.17	372,241,945	18.99	383,920,167	18.56
<b>Total cost of sales and rendering of services</b>	<b>1,194,305,293</b>	<b>71.22</b>	<b>1,422,692,624</b>	<b>72.58</b>	<b>1,485,386,383</b>	<b>71.81</b>
<b>Selling expenses</b>	<b>37,916,113</b>	<b>2.26</b>	<b>34,300,387</b>	<b>1.75</b>	<b>28,487,283</b>	<b>1.38</b>
Administrative expenses	165,921,230	9.90	192,507,736	9.82	193,688,140	9.36
Finance costs	4,369,452	0.26	5,171,519	0.26	3,460,251	0.17
<b>Total expenses</b>	<b>1,402,512,088</b>	<b>83.65</b>	<b>1,654,672,266</b>	<b>84.41</b>	<b>1,711,022,057</b>	<b>82.72</b>
Profit before income tax expense	274,206,701	16.35	305,497,318	15.59	357,489,998	17.28
Income tax expense	58,568,375	3.49	61,660,230	3.15	70,099,160	3.39
<b>Profit for the year</b>	<b>215,638,326</b>	<b>12.86</b>	<b>243,837,088</b>	<b>12.44</b>	<b>287,390,838</b>	<b>13.89</b>

Southern Concrete Pile Public Company Limited

Statements of comprehensive income

For the year ended December 31

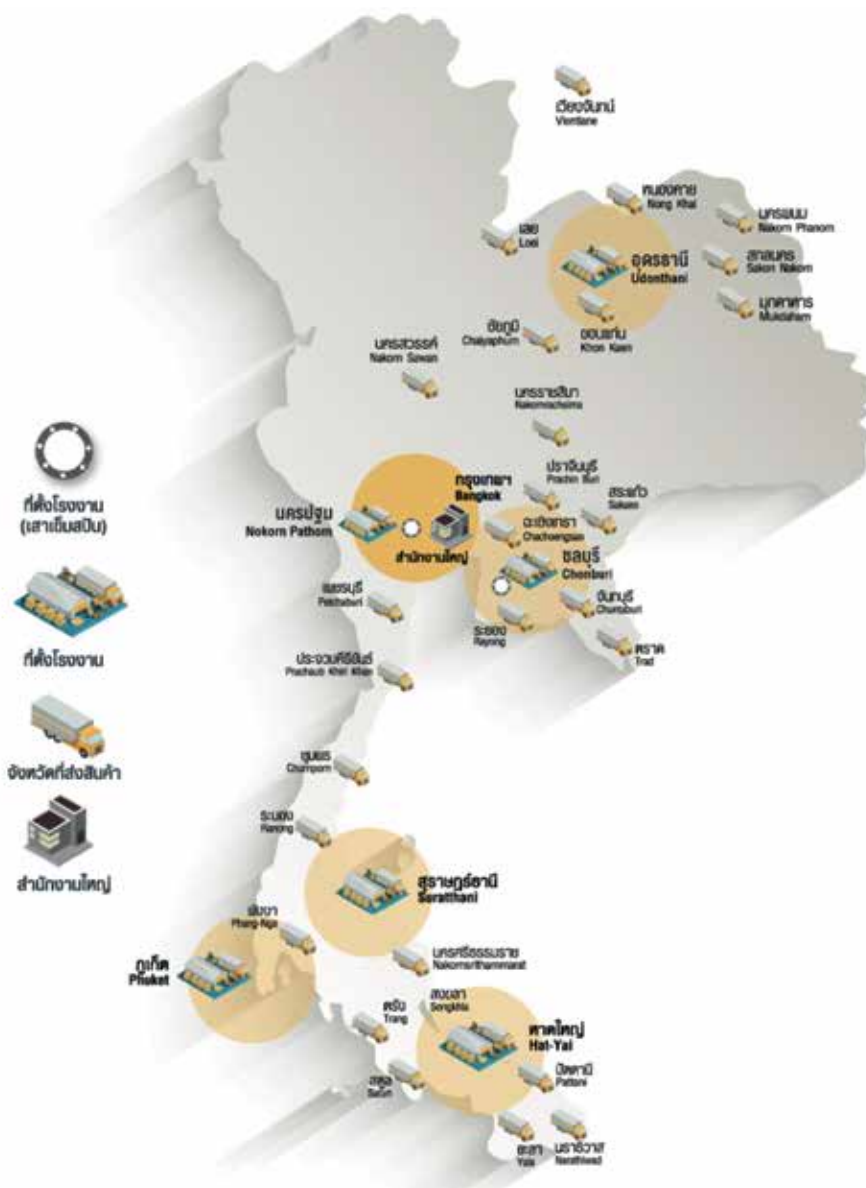
	2020		2019		2018	
	In Baht	%	In Baht	%	In Baht	%
Other comprehensive income :-						
Items that are or may be reclassified to profit or loss :-						
Gains (losses) on valuation of available-for-sale investments	-	-	(46,937,370)	(2.39)	(7,013,630)	(0.34)
Income tax on components of other comprehensive income	-	-	9,387,474	0.48	1,402,726	0.07
	-	-	(37,549,896)	(1.91)	(5,610,904)	(0.27)
Items that will never be reclassified to profit or loss :-						
Gains(Losses) from financial assets measurement	(3,776,570)	(0.23)	-	-	-	-
Defined benefit plan actuarial gains (losses)	-	-	19,535,187	1.00	-	-
Income tax on components of other comprehensive income	755,314	0.05	(3,907,037)	(0.20)	-	-
	(3,021,256)	(0.18)	15,628,150	0.80	-	-
Other comprehensive income (loss) for the year net of income tax	(3,021,256)	(0.18)	(21,921,746)	(1.11)	(5,610,904)	(0.27)
Total comprehensive income for the year	212,617,070	12.68	221,915,342	11.33	281,779,934	13.62
Basic earnings per share	0.73		0.81		0.96	

## 5. General Data and Other Information

### 5.1 General Data, Name, Location:-

Company	: Southern Concrete Pile Public Company Limited
Business Operation	: Manufacturing and distribution of different types of prestressed concrete products, including transport and pile driving services.
Registered Capital	: 300 million Baht, divided into 300 million issued and paid-up common stocks, with the par value of 1 Baht each
Share Repurchase	: Amount 53 Million Baht, 9 Million shares.
Company Registration No.	: 0107537001803
Website	: www.scp.co.th
Telephone No.	: 0-2711-5134 (10 automatic lines)
Facsimile No.	: 0-2382-0351-2
Auditors	: Miss Suphaphorn Mangjit CPA no.8125 or Miss Somjintana Pholhirunrat CPA no.5599 or Mr.Nopparoeck Pissanu Wong CPA no.7764 DIA International Auditing 316/32 Sukhumvit Soi 22, Sukhumvit Rd., Klongtoey, Bangkok 10110 Tel. 0-2259-5300 Fax. 0-2260-1553 Email : diaaudit.com
Securities Registrar	: Thailand Securities Depository Company Limited 93, 14 <sup>th</sup> Floor, Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok 10400 Tel. : 0-2009-9999 www.set.or.th/contactcenter
Representatives of Debenture Holders	: The Company had no debentures
Legal Adviser	: The Company has its legal team without any outsourced legal consulting services
Consultant or Manager under the Management Agreement	: -None-

## Factory Map



At present, the Company has totally six factories nationwide to fully meet the consumers' demands. The details are as follows:

Address of Factory : Phuket Factory

46/9, Mu 6, Thepkasatri Road, Ratsada Tambol, Muang Phuket District, Phuket Province, 83000

Tel. : 0-7621-2120, 0-7621-6286, 0-7622-5161 Fax : 0-7621-3679

Email : scp-pk@scp.co.th

: Surat Thani Factory

25/3, Rasbamrung Road, Na San Tambol, Ban Na San District, Surat Thani Province, 84120

Tel. : 0-7734-1995-6 Fax. : 0-7734-1614

Email : scp-sr@scp.co.th



: **Surat Thani Office**

15/3 Mu 5, By-Pass Highway, Makhamtia Tambol, Muang District, Surat Thani Province, 84000

Tel. : 0-7720-5444-5 Fax. : 0-7721-8549

Email : sale\_sr@scp.co.th

: **Hat Yai Factory**

136/4, Mu 3, Phetkasem Road, Thung Tam Sao Tambol, Muang Hat Yai District,  
Songkhla Province, 90110

Tel. : 0-7447-2044-7 Fax. : 0-7447-2048

Email : scp-hy@scp.co.th

: **Nakhon Pathom Factory**

16/12, Mu 3, Hom Kred Tambol, Sam Phran District, Nakhon Pathom Province, 73110

Tel. : 0-3432-2435-7 Fax. : 0-3432-3579

Email : scp-np@scp.co.th

: **Udon Thani Factory**

342, Mu 2, Khok Sa-art Tambol, Muang Udon Thani District, Udon Thani Province, 41000

Tel. : 081-391-1765, 086-4553965 Fax. : 0-4211-0134

Email : scp-ud@scp.co.th

: **Ban Bueng Factory**

18, Mu 2, Ban Bueng-klaeng Road, Nong Chak Tambol, Ban Bueng District,  
Chonburi Province, 20170

Tel. : 089-699-7826, 086-478-5689, 0-3811-9345

E-mail : 0-3811-9346

Email : scp-bb@scp.co.th

**5.2 Other important information: -**

-None-

**5.3 Legal disputes: -**

As of 31 December 2020, there are no legal disputes that may materially affect our business operations.

**5.4 Secondary market: -**

-None-

**5.5 Regularly contact financial institutions: -**

The company has not issued any debt instrument

## 6. Policy in Corporate Governance

### 6.1 Overview of the policy and practice of corporate governance: -

The Office of Securities and Exchange Commission revised the Corporate Principles 2012 to Corporate Governance Code for Listed Companies 2017. It emphasizes on creating sustainable value to businesses. Apart from creating confidence for investors, the Company's Board of Directors shall control and supervise its business to maintain competitiveness and sustainably good performance; implement business morally, ethically with respect of others' rights and responsibilities to shareholders and stakeholders; create and develop benefit to society without bad effect to the environment. Moreover, the company is able to well adjust its business to suitable for business conditions. There are 8 main guidelines for the Company's Board of Directors, as follows:

1. Realize the roles and responsibilities of the Board as the leaders for creating the sustainable value of the business.
2. Determine business objectives and goals for sustainability.
3. Enhance the efficiency of the Board of Directors.
4. Nominate and develop the top management executives and human resource management.
5. Promote business innovation and responsible business operations.
6. Supervise and ensure the business to have proper risk management and international control system.
7. Maintain financial credibility and information disclosure.
8. Support shareholders' participation and communication.

In the Board of Directors' meeting No. 1/2021, the policy in corporate governance has been reviewed and considerably apply the aforementioned guidelines for proper implementation beneficial to sustainable value creation in the future.

#### 6.1.1 Policies and guidelines related to the Board of Directors: -

##### Policy in Corporate Governance :-

The Board of Directors realizes the importance and continual compliance of good governance principles; business operations with adherence to business codes of ethics; the expectation of transparent and efficient operation of the Company; and creation of confidence for investors. The Board of Directors also is aware of responsibilities as the leaders who shall control and supervise the operation with good management which leads to sustainable value creation, high competitiveness, and long-term good performance.

##### Practice Guidelines

Although the Company has not appointed any subcommittee, except the Audit Committee; the Board of Directors, with realization of corporate governance, has developed clear guidelines and gave freedom in operation, including assigning the management to be the initiators and implementers of good governance under the recommendations of the Executive Board, Audit Committee and Board of Directors.

The Executive Board and Audit Committee shall consider and propose the policy to the Board of Directors' meeting for the approval of policy and application of the mentioned criteria. For any criterion has not been set as the policy or not bring to practice, the management shall report to the Executive Board, Audit Committee and Board of Directors and ask for consideration at least once a year or as deemed necessary

#### 6.1.2 Policies and guidelines related to shareholders and stakeholders : -

##### 1. Shareholders :-

The Company realizes the importance of shareholders and shareholders' ownership in making the decision on the Company's important matters. The Company shall encourage its shareholders to exercise their rights and ensure them to have the fundamental right protection. The shareholders shall get the Company's data and information correctly, precisely, sufficiently, and punctually. The shareholders rights include attending shareholders' meeting, sending proxy to attend the meeting and voting, expressing opinions, and giving inquiries in the meeting to the important decision i.e. directors election, auditor appointment and determination of account auditing, profit allocation, approval of remunerations for the Board of Directors members and subcommittee, revision of memorandum of association and the Company's provisions, approval of significant transactions affecting directions of business operations, etc. All shareholders have the rights to cast votes according to a number of holding shares. One share shall be counted as one vote and no share is a privilege to others.

Apart from the Company support of shareholders to exercise their fundamental rights, it has established an additional policy to enhance and facilitate the shareholders' right exercise, as follows:

- 1.1 The Company shall clearly and punctually give important and necessary information to shareholders on the Company's website and the Stock Exchange
- 1.2 The Company shall provide shareholders an opportunity to propose the meeting agenda and nominate candidates for directorship by publicizing via the channel of the Stock Exchange and the Company's website, as well as providing the clear procedure in accepting that matter into consideration. Shareholders are able to propose the meeting agenda and nominations for directorship in advance on the Company's website.
- 1.3 The Company shall clearly notify information about the venue, date and time, as well as the meeting agenda both in Thai and English via system of the Stock Exchange and the Company's website at least 1 month in advance.
- 1.4 The Company shall provide shareholders an opportunity to submit inquiries and opinions to the Board of Directors about the matter related to the Company in advance by notifying in advance via the channel of the Stock Exchange and the Company's website.
- 1.5 In the Annual General Meeting, the Company shall open for the shareholders to cast the vote to elect individual directors.
- 1.6 To facilitate any shareholder who is unable to attend the meeting, the Company shall allow him/her to send an independent director or any person as a proxy to attend the meeting by filling in Form Khor. which the Company has sent together with the invitation to the meeting. The shareholder is able to use the form to set the direction for casting vote as the form prescribed by the Department of Business Development and Ministry of Commerce. The Company shall attach the documents and evidence that shareholders shall present before attending the meeting, proxy process and registration procedure together with the invitation for the meeting, including the information of independent directors listed by the Company as a proxy. The listed independent directors shall not stake with the election agenda mentioned in the invitation letter. Shareholders are able to download the proxy form, both in Thai and English, from the Company's website.
- 1.7 On the meeting day, the Company prepares the barcode registration system that having the identification number of shareholders printed in the registration form to facilitate the meeting and the registration. Additionally, the Company shall prepare the document checking point for proxy, as well as stamp duties, with facilitating staff. The Company shall start the registration at least 2 hours prior to the meeting.

- 1.8 Before conducting the meeting, the Legal Department shall notify about voting procedure, vote counting and the announcement of the result as follows:
1. In voting for each agenda, shareholders have the rights to vote equal to a number of holding shares. One share can be counted as one vote. The voting shall be done with disclosed manners by showing of hands.
  2. The Company shall prepare ballots for all agenda that need resolution for transparency and accountability. In each agenda, the chairman of the meeting shall announce that shareholders or proxies who are against with the issue or are willing to abstain from voting to show their hands, and the Company shall mark the ballots and keep as evidence. For a shareholder who appoints a proxy and sends the voting intention by him/herself, the Company shall count the vote as identified by the shareholder in the proxy form.
  3. The Company shall collect the ballots and announce the results after finishing the voting in each agenda. In case of vote counting, to ensure that the meeting can run smoothly, the Chairman may ask to consider the next agenda while counting the vote and announce the results to the meeting as soon as possible.
- 1.9 The Company has assigned independent representatives from the auditor and the representatives from the shareholders' right protection from Thai investors association to observe the shareholders' meeting every year.
- 1.10 During the meeting, the Chairman of the meeting shall allow shareholders to express opinions, suggestions, and inquiries independently before voting and prepared the related person to give answers.
- 1.11 The shareholders' general meeting 2020 has been held on Tuesday, July 21, 2020 at 13.30 hours at Busarakam Ballroom, AVANI Atrium Bangkok, 1880 New Petchburi Road, Bangkok, Huay Kwang, Bangkok 10310. The meeting has been conducted on the agenda specified in the invitation to the meeting. After all agenda consideration has been covered, the Chairman allowed shareholders to make inquiries in the interesting topic and then close the meeting.
- 1.12 The Company disclosed the meeting resolutions to the public together with voting results via SET Portal system of the Stock Exchange after the end of the meeting.
- 1.13 The Company has fully recorded the meeting minutes together with all inquiries occurred in the meeting. The report of shareholders' meeting 2020 has been prepared and finished within 14 days from the meeting date. It shall be as well as submitted to the Stock Exchange and Ministry of Commerce within the date prescribed by laws and published on the Company's website in Thai and English.

**Fair Treatment to Shareholders :-**

The Company has placed importance to fair and equal treatment to shareholders. To ensure that shareholders are treated fairly and equally, the Company prescribed the following measures:

- The Company shall provide minority shareholders the opportunity to propose a meeting agenda and nominate candidates for directorship prior to the meeting date. The Company shall notify information details together with criteria to shareholders through the Stock Exchange and the Company's website to ensure the participation of minority shareholders.
- The Company entitles a shareholder who is unable to attend the meeting can assign any person or an independent director listed by the Company as a proxy to attend the meeting and cast vote on his/her behalf. The shareholder shall apply the proxy form as prescribed by the Department of Business Development, Ministry of Commerce, in Thai and English, together with relevant documents and evidence needed to present prior to the meeting. The proxy procedure and registration method are attached to the invitation to the meeting. The Company also shall disseminate such documents on the Company's website prior to the meeting date.

- The Company realizes the importance to the use of inside information which has not yet been disclosed to the general public or any data which shall affect the Company's stock prices for improper benefit of oneself or others. Therefore, the Company prescribes guidelines for preventing improper use of information in writing according to the resolution of the Board of Directors. The directors and executives shall report the shareholding of oneself, including their spouse and minor children who have held the Company's securities. They shall also report the changes of the Company's securities in their hands either buying, selling, transferring or receiving the transfer (Form 59-2) within 3 working days from the day of changes; and notify the Company Secretary at least one day prior to the trading day.
- The Company is aware of conflicts of interests of a relevant person. Therefore it prescribes the directors and executives shall prepare reports of their stakeholding and the related parties about the Company and its subsidiaries when firstly holding the positions, as well as when the change occurs.

## 2. Stakeholders :-

All groups of stakeholders have a contribution to the Company's operation by enhancing competitiveness, benefits, and long-term success. The Company has set practice guidelines to stakeholders, as follows:

### 1. Manpower :

- The Company has set policy to provide employees' quality of life in the aspect of security and hygiene at the workplace. The policy includes care for employees' accommodations at factories in upcountry provinces, as follows:
  1. Provide 24-hour security staff.
  2. Install campaign boards against narcotic drug and specify punishment for employees involving in drugs.
  3. Set rules about accommodation cleaning and waste management.
- The Company realizes the importance of personnel's potential development; therefore, it develops a training plan for employees at all levels to enhance work capability and skills. The employees are also encouraged to participating in work, working as a team, and having self-belonging with the Company. The Company has continually organized the annual activities to provide employees in all departments a chance to interact with each other. Trophies and reward money are given to the factories with excellent scores in order to motivate employee self-development and enhance the competitiveness of the Company.
- Fair compensation shall be paid according to employees' potential and not less than the minimum rate prescribed by labor laws. The performance appraisal shall be performed every 6 months. The Company shall provide welfares i.e. provident fund, supporting fund in case of death of employees' parent or spouse, accident insurance, employees' children educational scholarship, accommodation, and bonuses based on the Company's operating results and individual performance.
- The Company shall develop clear practices with no discrimination. It shall not commit any action which violates human rights or deprive rights and freedom of employees of all races and religions.
- The Company shall supervise employees to strictly obey related laws and regulations; and prohibit employees to perform any action violated copyright and intellectual properties, including encouraging employees to have guidelines to work honestly and abstain from corruption.

## **2. Customers :**

- The Company has realized the importance of customers with sincerity and willingness. To create customers' confidence and to ensure the most satisfaction of the Company's products and services, all customers shall be treated equally without discrimination. Moreover, the products and services are secure in accordance with world standard and environmental friendly.
- The Company shall provide customers with good quality products compliance to customers' agreement at fair prices. Additionally, the Company shall provide comprehensive services for facilitation and rapidness of the operation both in logistics and pile installation. There are several installation methods for customers' selection to work conditions.
- The Company shall give suggestions and recommendations to customers about products and services correctly, sufficiently and punctually.
- The Company shall practice in conditions agreed with customers seriously. In case of default, the Company shall notify customers immediately and jointly consider solutions.

## **3. Business Partners/Creditors :**

- The Company shall have fair and equal treatment to business partners and suppliers by taking account of utmost benefits of the Company; and it is prohibited to defame or discriminate any vendor.
- Transparent purchasing scheme with effective internal control preventing the wrongdoing in purchasing procedure
- Perform under the agreements, regulations and laws strictly, especially the payment term
- Not supporting the products or act that abuse the intellectual property
- Manage the Company's fund to comply with the core business operation and objectives to maintain the creditors' trusts in financial status
- Comply the agreements and payment terms under the possible obligation debt, guaranteed securities and other strictly
- Notify the vendor in advance when the Company's is not able to comply with the agreements so that the solution would be discussed

## **4. Competitors :**

- Treat trade competitors fairly and honestly compliance to laws. The business competition should be done morally and transparently without exploitation of others.
- Do not seek confidential information with wrongful and improper method
- Refrain from any action violating competitors' intellectual property rights.
- Do not discredit competitors by alleging untrue information.
- Promote and support free and fair trading competition.

## **5. Society, Community and Environment :**

- The Company shall manage businesses with responsibilities to society, community and environment; give support to activities for developing quality of life and benefits of community, including development and enhancement of child potential.
- The Company shall promote and instill awareness of responsibility for society, community, and environment to all level of personnel. The employees shall be encouraged to participate in community activities or projects, as well as campaigns for efficient use of energy and resources.

- The Company shall develop and improve the environmental management system to reduce pollution and environmental impact.

## 6.2 Codes of Ethic: -

### Intellectual Properties

The Company has set policy to prohibit the operation which tends to violate intellectual property rights in order to avoid damages and discrediting problems of the Company. It is prohibited executives and the Company's personnel from using illegal software and copying copyright software without authorization from software producing companies.

## 6.3 Major Changes and Developments of the Guidelines Policy and the corporate governance in the past year: -

### 6.3.1 Significant changes and developments in the review of policies, guidelines and corporate governance or the Board of Directors Charter in the past year: -

The Committee has revise the implementation of corporate governance principles in 2017 and mostly adjusted it to Company's business context. For the issue has not yet adjusted (recorded as a part of the committee's resolution) are as follows:

1. Determination of directorship term of independent directors shall not exceeding 9 consecutive years. The Board has considered and agreed that the case of independent directors holding position longer than 9 consecutive years, the Company's operation shall get more benefits.
2. The Company's Board consists of less than half of independent directors. Currently, there are 4 independent directors out of 9 members. The Board has considered and agreed that the Chairman shall not be the same person as the Managing Director for the purpose of duties separation. The Chairman of the Board shall be an independent directors so that he/she has sufficient freedom in work operation.
3. The Company has not yet appointed other subcommittee, apart from the Audit Committee. The Board has considered and agreed that the Company is not a large corporate and the management structure has not complicated. The management is currently efficient, not causing any obstacles. However, the Board has reviewed this issue yearly which is a part of corporate governance policy.

### 6.3.2 Other practices in good corporate governance principles : -

#### Compliance in other good corporate governance principles :-

#### Policy and Control of Directors and Executives

The Company has informed directors and executives to report the changes of the Company's securities in their hands, either buying, selling, transferring or receiving the transfer (Form 59-2), within 3 working day from the day of changes; and notify the Company Secretary at least one day before trading to record the change and summarize the securities holding of directors and executives and report to the Company's Committee.



## 7. Corporate Governance Structure and Important Information of the Board

### Sub-committees, management, employees and others

#### 7.1 Corporate Governance Structure: -

##### 1. Company's directors :-

###### • Board of Directors

1. Mr. Pongpayome	Vasaputi	Chairman of the Board of Directors, Independent Director
2. Mr. Bonguea	Limsuebchuea	Independent Director
3. Mr. Tasanai	Atichati	Independent Director
4. Police Colonel Somyod	Kaewbangkerd	Independent Director
5. Mrs. Arunee	Nganthavee	Managing Director
6. Mr. Thamrong	Nganthavee	Director
7. Mr. Suckchai	Nganthavee	Director
8. Mr. Kitja	Nganthavee	Director
9. Mr. Akapop	Nganthavee	Director

###### • The Board of Audit Committee

1. Mr. Bonguea	Limsuebchuea*	Chairman of the Audit Committee
2. Mr. Tasanai	Atichati	Audit Committee
3. Police Colonel Somyod	Kaewbangkerd	Audit Committee

\*Audit Committee; with knowledge and experiences in reviewing financial statements of the Company

###### • Executive Director

1. Mrs. Arunee	Nganthavee	Managing Director
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##### 2. The Executive Committee and Executive Officers :-

1. Miss Tipnara	Nganthavee	Finance Director
2. Mr. Kampanart	Petvaroon	General Manager
3. Mr. Somsak	Wattanatham	General Manager- Nakhon Pathom Factory
4. Mr. Taweesak	Wongsuppachart	Square Pile Production Manager
5. Mr. Amnuai	Emkosa	Sales and Marketing Manager
6. Mrs. Nittaya	Chunualsri	Senior Accounting Manager
7. Miss Duangdao	Sukhavanich	Finance Manager
8. Mr. Krisana	Sartwathanaroj	Engineering and Service Manager
9. Miss Tipaporn	Rittawa	Accounting Manager

##### 3. The Company's Secretary :-

1. Mrs. Nittaya	Chunualsri
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## 7.2 The Board of Directors' Information : -

The Board members shall have required knowledge, ability and experiences in various fields. The Board of Directors have important roles in formulating the Company's policy, visions, and missions; and works with the top executives to prepare short- and long-term operational plan, including financial policy and risk management. The Board shall control, supervise and evaluate the Company's operating results and operation of the top management according to determined plan independently.

### 7.2.1 The Board of Directors Structure

The Board of Directors consisted of 9 members,

Independent directors	4 persons
Non-executive directors	4 persons
Executive director	1 person - Managing Director

### 7.2.2 The Board of Directors' Information and Company Controlling Persons

Authorized directors included Mrs. Arunee Nganthavee, Mr. Thamrong Nganthavee, Mr. Suckchai Nganthavee, Mr. Kitja Nganthavee and Mr. Akapop Nganthavee; provided that 2 out of these authorized directors shall jointly affix their signatures and the corporate seal.

The Board of Directors has appointed Mrs. Arunee Nganthavee as the Executive Director-Managing Director with powers and duties as follows:

1. To formulate business management and operation policy, or other operations binding the Company.
2. To consider and approve regulations, orders, and provisions of the Company.
3. To control and supervise all businesses of the Company as mentioned in resolutions and policy of the Company.
4. To approve the proposals of committee for benefits of management as specified in the Company's objectives.
5. To study feasibility of investment in a new project; and have powers of approvals as authorized by the directors.
6. To have powers of approvals, appointment, removal, disciplinary punishment and consideration of salary and wages raises, welfare, bonus, pension, and other compensations, including expenses and facilities of officers or Company's employees.
7. To give suggestions and consultations to working groups; and follow up the operation in accordance with the prescribed work plans and policies.
8. To have powers of appointment a person or a group of people to perform the Company's businesses under the supervision of the Executive Director; assign a person or a group of people to act as the Executive Director's approval; and have powers of change, revision, and dismissal of such powers.
9. To perform any operation in accordance with the prescribed policy assigned by the Board of Directors.

\*The power of approvals as above mentioned are excluded authorization for approval of relating to related transactions as defined by the Office of Securities and Exchange Commission (OSEC).

- Details of the management and company controlling persons.

List of Controlling Persons		Control of the company
1. Mr. Pongpayome	Vasaputi	/, ///
2. Mrs. Arunee	Nganthavee	M
3. Mr. Thamrong	Nganthavee	*
4. Mr. Suckchai	Nganthavee	*
5. Mr. Kitja	Nganthavee	*
6. Mr. Bonguea	Limsuebchuea	//, ///
7. Mr. Tasanai	Atichati	///, ///
8. Mr. Akapop	Nganthavee	*
9. Police Colonel Somyod	Kaewbangkerd	///, ///
10. Miss Tipnara	Nganthavee	N
11. Mr. Kampanart	Petvaroon	~
12. Mr. Somsak	Wattanatham	~
13. Mr. Taweesak	Wongsuppachart	~
14. Mr. Amnuai	Emkosa	~
15. Mrs. Nittaya	Chunualsri	~, V
16. Miss Duangdao	Sukhavanich	~
17. Mr. Krisana	Sartwathanaroj	~
18. Miss Tipaporn	Rittawa	~

Remarks

/ = Chairman of the Board of Directors // = Chairman of the Audit Committee /// = Audit Committee  
 /// = Independent Director \* = Director M = Managing Director N = Director of Department ~ = Manager  
 V = Company's Secretary

### 7.2.3 Roles, Duties, and Responsibilities of the Board of Directors

1. To manage businesses for the utmost benefits of shareholders by supervising directors and executives to perform duty of care and loyalty, as well as operating as prescribed by laws, regulations and resolutions of shareholders' meeting, and to disclose information to shareholders correctly, precisely, transparently and punctually.
2. To specify visions, missions and strategies in business operations, which shall be revised and approved yearly.
3. To make consideration of main operational plan, budget, goals and policy, including development of the Company's competitiveness.
4. To monitor and evaluate the implementation of strategies and require for regular reports; and establish policy to develop and improve the Company's operations.
5. To report stake holding of themselves or other person related to management of the Company and its subsidiaries for operational transparency.
6. To set risk management policy, supervise risk management, revise and monitor the results of risk prevention implementation, and regularly evaluate when risk level are changed.
7. To perform according to good governance policy and anti-corruption policy, as well as related written practice guidelines; and review the policy and its implementation at least once a year.

8. To encourage directors, executives, and all employees to have awareness of morality and ethics, and practices based on corporate governance, code of conduct and anti-corruption policy; supervise the proper internal control and inspection system to reduce fraud risk and abuse of power, including unlawful action prevention.
9. To take care of benefits of major and minor shareholders with fairness; ensure that shareholders are able to protect their interests and receive information fairly, correctly, precisely, transparently, accountably and punctually.
10. To realize roles, duties, and responsibilities of the Board of Directors; respect the rights and treat the shareholders and stakeholders fairly and transparently; control and supervise the clear practice guidelines for whistleblowers or stakeholders; and provide the channel for contacting/complaining directly to the Board of Directors
11. To consider the development plan of executives and the succession plan; control and supervise performance assessment of executives; determine the proper remunerations for executives in accordance with the operating results in order to create short and long term motivation.
12. To evaluate annual performance of the Board of Directors both as overall evaluation and individual self-assessment.
13. To control and supervise the nomination process of the Directors to be transparent and determine the proper remunerations of the Directors.
14. To attend the Board of Directors' meeting and the Shareholders' meeting. In case a director fail to attend the meeting, he/she shall inform the Chairman or the Secretary of the Board in advance.

#### **Roles and Duties of the Chairman**

1. To consider and set the agenda of the Board of Directors' meeting together with the Executive Directors; and make sure that the directors receive information correctly, precisely, clearly, and punctually prior to the meeting so that the Directors can study and make decision properly.
2. To be leader of the Board of Directors and the Chairman of the Board of Directors' meeting; conduct the meeting as prescribed in the agenda and the Company's provision; allocate the time and encourage all directors to discuss and independently exchange opinions by using their discretions and consideration of all stakeholders; and make resolutions and clear necessary actions, including determination of the meeting of non-executive directors, as deemed necessary.
3. To conduct the shareholders' meeting following the prescribed agenda, the Company's provisions, and related laws; allocate the proper time and opportunities to shareholders to equally express opinion; and ensure that shareholders have proper and clear answers to their inquiries.
4. To strengthen good relationships between the Directors and the Management; and promote the operation of the Executive Directors and the Management as prescribed in the policy and the operational plan.
5. To control and supervise the information disclosure and transparent management in case of conflicts of interests.
6. To control and supervise the Directors to work efficiently according to the corporate governance and business code of conduct; and support and be good model of good governance and business codes of ethics.
7. To control and supervise the performance evaluation of the Board of Directors as a whole and individual, and the subcommittee evaluation; and apply the result to improve the operation and enhance knowledge and capability of the Directors.

- **Powers of Approval of the Board of Directors**

The Board of Directors has powers in approving the Company's operations according scope of duties prescribed by laws and the Company's provisions, scope of responsibilities of the Board, as well as resolutions of the shareholders' meeting. The authorization of powers includes formulation and revision of vision, mission, implementation strategies, policy in risk management, budget plan, and annual operational plan, as well as following-up and evaluation of operating result. Division of Roles and Duties between the Directors and the Management.

The Company has clearly divided duties between the Directors and the Management. The Board of Directors has duties in formulating policy and supervising operation of the management, while the management has duties in managing the operation in accordance with the prescribed policy and plan. Therefore, the Chairman of the Board and the Managing Directors shall not be the same person. The Chairman shall be an independent directors who has no involvement in the Company's operations| for clear separation between policy supervision and operation management. Additionally, the Board of Directors has duties to determine the succession of the top management.

- **Directorship Term of Directors and Independent Directors**

According to Clause 14 of the Company's provisions, the one-third of Directors shall be removed from the office of directorship in the annual shareholders' meeting. If the one-third of directors is not a whole number, it shall remove the directors at the nearest number. In the first and second year after the registration of public company limited, the director removal shall be done by drawing. After that, the director who hold the longest term shall be removed. In Clause 15, the terminated directors are able to be reelected. The Board of Directors comprises of 8 members. The nomination process shall be in accordance with the Company's provision, and shall be informed to the shareholders' meeting together with the approval of the Board of Directors for consideration.

- **Policy in Holding Positions in External Organization of Directors and Executives**

The Company has set policy for the Directors not to hold the directorship position in more than five registered companies in order to make sure that they are able to devote time for the most effective operation. The position holding shall not be a conflict of interests or competitiveness of the Company's businesses, as well as damaging the Company's benefits.

- **Performance Assessment and Knowledge Development**

The Company has stipulated the performance assessment of the directors, subcommittee, and executive directors. The assessment shall be performed as a whole and self-assessment. The Company Secretary will submit the performance assessment form to all directors. After that, the Secretary will conclude and present the results to the Audit Committee and the Board of Directors

The performance assessment of the directors and subcommittee is dived into 6 topics, i.e.

1. Structure and qualifications of the Board
2. Roles and responsibilities of the Board
3. The Board of Directors' meeting
4. Functions of the Directors
5. Relationship with management
6. Self-development of the Board member and executives.

The results of assessment in all topics are at excellent level. The average score is 90.28%.

The evaluation of the performance of executive directors comprises 10 topics , i.e.

1. Leadership
2. Strategy formulation
3. Compliance strategy
4. Planning and financial performance
5. Relations with the Directors
6. Relationships with extended parties
7. Management and relationships with personnel
8. The succession
9. Knowledge of products and services
10. Personal attributes

The overall performance of the Executives are at excellent level. The average score is 95.37%.

The results of performance evaluation of directors, subcommittee and executive directors will be guidelines for revision and development of operations in the future.

- **Development of Directors and Executives**

The Board of Directors develops policy in promoting and supporting activities to regularly develop the Directors and executives' knowledge both in forms of curriculum beneficial to work operation and activities in exchanging opinions between the Board and executives

- **Orientation for New Directors**

The Company shall organize the orientation for new directors. The Company Secretary is assigned as a coordinator who prepares necessary documents for the new director, i.e. the Company's data, overall business operations, organizational structure, shareholder structure, manual for registered company's directors, good governance principles; code of conducts and power of the Board of Directors, and yearly meeting schedule. Additionally, the meeting shall be held with related executives to give information and answer questions for benefits of the operation in directorship position.

- **Succession Plan**

The Company has determined succession plan in the management level and main duty positions by considering from the individual work performance, potential and readiness. Moreover, the qualifications and experience in the work field would also be taken into the account. The Company prepares the succession personnel through developing knowledge, ability and skills needed to successful succession and continuous operation in the future.

### **7.3 The subcommittees' Information : -**

#### **7.3.1 Structure of the Board of Directors**

The Company's subcommittee is the Audit Committee. Other subcommittee has not yet been established because the Board of Directors has considered that the business management within the corporate is not of large size and has not been complex. However, the Board may establish subcommittees when the company has expanded in the future.

#### **Term of Audit Committee :-**

The Audit Committee has 2-year term according to directorship term of the Board of Directors. The term shall be completed at the date of the annual shareholder's meeting. When the Audit Committee has completed the term, he/she may be considered to continue working in that position.

#### **Scope of Powers and Duties of the Audit Committee :-**

1. To review for adequate and correct financial reporting of the Company;
2. To review for proper and effective internal control and audit systems of the Company; and to consider the independence of the internal audit unit; and to approve the consideration, appointment, transfer and dismissal of the head of the internal audit unit or of any other units responsible for such internal audit.
3. To review for the Company's compliance with the Securities and Exchange Act, Requirements of the Stock Exchange of Thailand (SET) and with the laws in connection with the Company's businesses.
4. To consider, select and nominate independent persons to function as the Company's auditor and to propose remunerations for such persons; and to attend meetings with the auditor without the Management's attendance, for at least once a year.
5. To consider the related transactions or transactions with potential conflicts of interests to be in accordance with the laws and Requirements of the Stock Exchange of Thailand (SET), thus, to ensure that such transactions shall be reasonable and for the utmost benefits of the Company.
6. To prepare reports of the Audit Committee to be disclosed in the Annual Report of the Company; whereas, such reports must be signed by the Chairman of the Audit Committee.

The Audit Committee has reviewed and made recommendations to the Board of Directors as follows :-

- 6.1. Opinions relating to the correctness, completeness, reliability of the Company's financial reports.
- 6.2. Opinions relating to the adequacy of the Company's internal control systems.
- 6.3. Opinions relating to the compliance with the Securities and Exchange Act and Requirements of the Stock Exchange of Thailand (SET) or with the laws in connection with the Company's businesses.
- 6.4. Opinions relating to the suitability of the auditor.
- 6.5. Opinions relating to transactions with potential conflicts of interests.
- 6.6. The number of meetings of the Audit Committee and meeting attendances of each of the audit directors.
- 6.7. Opinions or overall remarks that the Audit Committee has received from its performance of duties under the Charter.
- 6.8. Other transactions that should be informed to shareholders and general investors under the scope of duties and responsibilities assigned by the Board of Directors.
- 6.9. To take any other actions as assigned by the Board of Directors with approvals of the Audit Committee.

#### **7.3.2 List of Audit CommitteeAudit Committee**

The Audit Committee shall consist of 3 independent directors as follow:

- |    |                       |              |                                 |
|----|-----------------------|--------------|---------------------------------|
| 1. | Mr.Bonguea            | Limsuebchuea | Chairman of the Audit Committee |
| 2. | Mr.Tasanai            | Atichati     | Audit Committee                 |
| 3. | Police Colonel Somyod | Kaewbangkerd | Audit Committee                 |

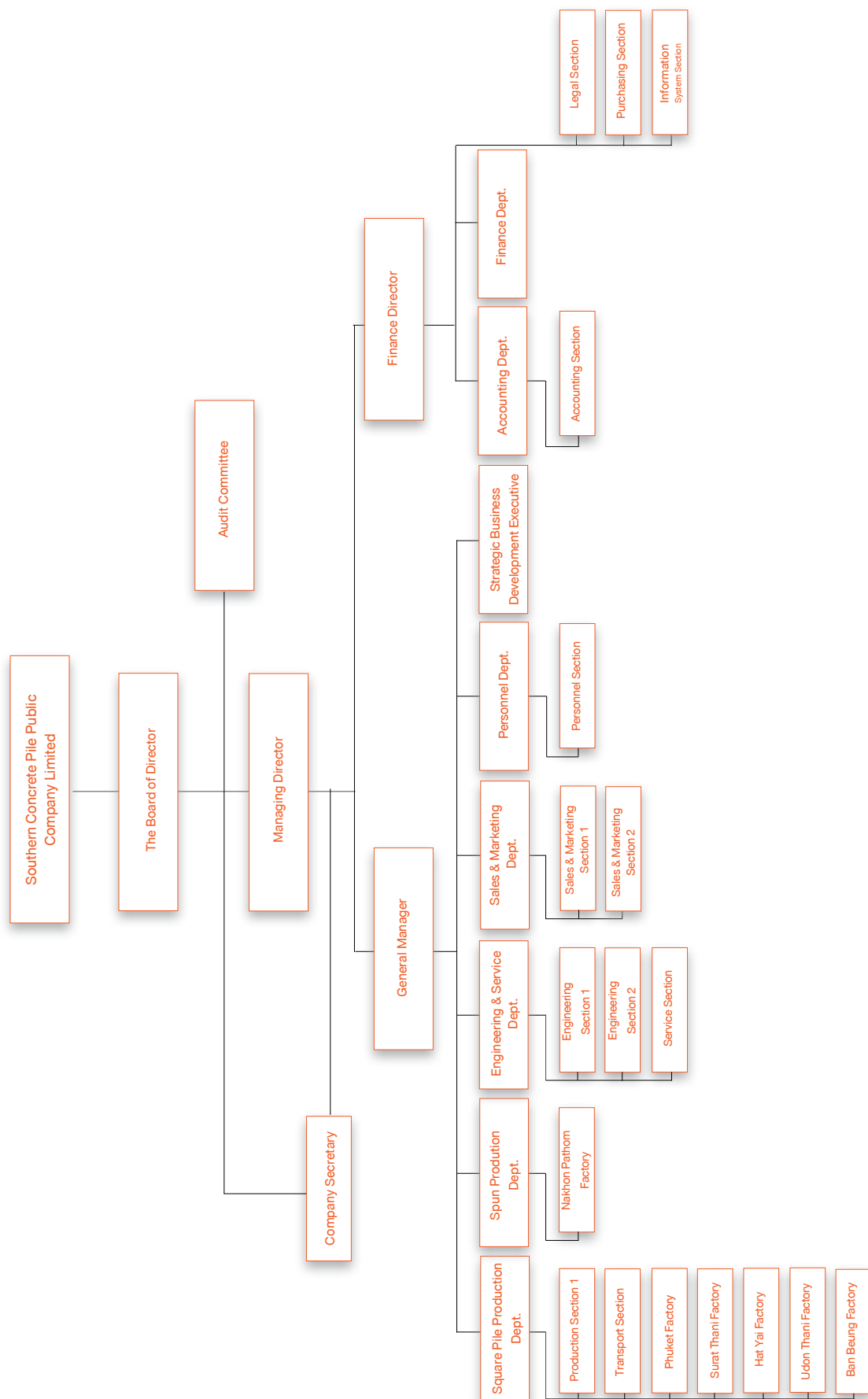
#### **7.4 Information about the Board of Directors and Executives : -**

##### **7.4.1 Names and positions of the board of directors, executives and company secretary**

- According to Attachment 1 -



## Management Structure of Southern Concrete Pile Public Co.,Ltd.



#### 7.4.2 Remuneration Policy of Directors and Executives

The determination of remunerations of the Company has not passed the Remuneration Committee because, at present, the Company has not yet established the Remuneration Committee; however, the determination of remuneration of directors has been carefully considered by the Board of Directors' meetings by taking account of roles, duties and responsibilities, including the operating results of the Company to be proposed to the shareholders' meetings for approval.

##### Remuneration of Directors and Executives

- **Remuneration of Directors**

The Company has determined the remunerations of the directors by taking account of duties and responsibilities of the individual director.

- **Remuneration of Executive Directors**

The Company has determined the remunerations of the Executive Director by taking account of duties, responsibilities, and operational results both in short and long term.

- **Remuneration of Executives**

The Company has determined the remunerations of executives by taking account of duties and responsibilities of the individual executives, including the operating results of the Company and performance appraisal results of individual executive. At present, the Company has not yet established the nomination and remuneration determination Committee; however, the Company has been carefully considered the determination of remuneration appropriate to other industries in the same level. Additionally, the remuneration shall be high enough to maintain the Directors and Executives with required qualifications.

#### 7.4.3 Total remuneration of Executive Directors and Executives

- **Monetary compensation: -**
- **DirectorsMonetary Remunerations of Executive Director and Executives**

##### **Remuneration of executive director and 4 other consecutive executives**

Name	2020		2019	
	Number of persons	Total Amount (Million Baht)	Number of persons	Total Amount (Million Baht)
Executive Director and the top management				
• Salaries and bonuses	10	28.15	10	28.46
• Other remunerations		3.06		5.55
<b>Total</b>	<b>10</b>	<b>31.21</b>	<b>10</b>	<b>34.01</b>

- **Other remunerations:-**  
- None -

#### 7.5 Employees Information

Employees are the primary resource and foundation for sustainability; it has an effect on the growth and creation of the Company' values, thus developing employee's potential as well as knowledge, capability and experience including to encourage unity participation within the same beliefs and understanding to create an attachment with the organization and be a force to drive business strongly and sustainably.

The Company believe in equitable treatment of employees and compensation that is suitable for the job position and performance, each job position is open to all employees to learn, develop and grow to their full potential.

The Company recognize and value the diversity of the employees and adhere to the principle of equality. Employees hiring and promotion is according to the Company's business objectives based on their competence and the qualifications of each person suitable for the job position that the Company deem appropriate. The Company will not hire people under the legal age. In addition, the Company will never use involuntary or illegal labor.

However, the Company is also committed to safety and hygiene of employees, with great emphasis on create a good working environment, the Company's human resource management policy is according to intention and law enforcement. It is the Company's responsibility to ensure that all employees are aware of the laws and regulations applicable to their duties, it also has a policy to ensure that the work environment is free from prejudice and discrimination including any threatens or harassment.

- **Manpower :-**

The Company has totally 1,232 employees. In 2020, the Company has paid remunerations to its employees, amounted to 325 million Baht, including salaries, overtime pay, cost of living allowances, bonuses, special allowances, social security contribution and provident fund contribution, department of labor contribution, allowances, employee benefits etc.

- **Manpower and remunerations : -**

2020	Southern Concrete Pile Public Company Limited	
Executive employees (people)	10	0.81% of all employees.
Monthly employees (people)	280	22.72% of all employees.
Daily employees (people)	891	72.32% of all employees.
Head Office employees (people)	51	4.13% of all employees.
Total (people)	1,232	
Employees' remunerations (million Baht)	325	

Significant changes of the number of employees during the past 3 years:

- None -

Significant labor disputes during the past 3 years:

- None -

- **Employee Recruitment and Selection**

The Company has a clear recruitment and selection process. Basic qualification screening and interviews considering by knowledge, abilities, experiences and attitudes which are appropriate for the job. The process is transparent and fair, it does not discriminate against gender, race, religion, educational institution, disability and does not support personal relationships and any privileges.

- **Talent Retention**

The Company places great emphasis on creating incentives for employees to attach with organization in the long term. There is an appropriate and fair compensation and welfare management system, such as contributing to the provident fund for employees at the maximum rate of 4% of their salaries and allowing the employees to accumulate the highest percentage of employees at the rate of 15%, providing life insurance benefits and accidents including encourage as well as allowing employees to receive training as needed in their line of work, etc.

- **Provident Fund Member in 2020**

Provident fund members, the Company give monthly employees the right to apply for membership in the provident fund according to the fund regulations set by the Company.

**Number of Provident Fund Members in Year 2020**

Monthly employees (persons)	Provident fund members (persons)	% of total monthly employees.
341	283	82.99

**The amount of the remitted of the provident fund for the year 2020**

Amount of the Annual contribution (Company equity)	Amount of the accumulated all year (Employee equity)
3.96 Million Baht	8.24 Million Baht

The Company has selected Thanachart Fund Management Co., Ltd. as a fund manager and invest in Tanachart Taveeka Provident Fund which is registered. The investment policy, the Company choose to invest in the value-added plan with 10% of investment in money markets, 50% of government debt securities, 30% of bond and 10% equity.

> **Employee development policy:-**

The company believe that employees are the company's most valuable resource. Therefore, continual training and development are provided in order for employees to increase the knowledge and skills necessary for their operations to be consistent and support their business to thrive in today's rapidly changing environment, including to create the satisfaction of the Company's customers.

In 2020, the company has held the internal training courses and development to increase potential and develop working skill as specified by the Department of Skill Development, not less than 50 percent of the total number of employees of the organization. In addition, the company has sent the employees to participate in training and development with external training institutes as the company deem appropriate.

**Employee Involvement**

Employee cooperation is an organizational success because employees at all levels are important to the organization. Thus, employees taking part in the organization resulting to they can use their abilities to benefit the public as much as possible. For the employees, care must be taken in the work that they are assigned, must do their best, there must be unity among the group and encourage teamwork due to every activity must rely on the employees' participation at all levels. In addition, the competence of employees must be developed regularly.

**Guidelines for Organizational Management that Emphasize Employee Participation**

1. Raise awareness of duties and responsibility for themselves and colleagues.
2. Build an acceptance of belonging and important part of the organization.
3. Build enthusiasm for improvements in work both oneself and the organization.
4. Train and develop employees' skills along with providing educational opportunities

## 7.6 OTHER IMPORTANT INFORMATION

### 7.6.1 The Company Secretary : -

It is prescribed under the Securities and Exchange Act (No.4) B.E.2551, Section 89/1 that the Board of Directors must provide the Company Secretary to be responsible for taking actions on behalf of the Company or the Board of Directors; therefore, in the Board of Directors' Meeting No.3/2008, the Board of Directors has passed its resolution to appoint Mrs. Nittaya Chunualsri, an accounting graduate, to assume the position of the Company's Secretary, effective as from 13<sup>th</sup> August 2008 onwards.

#### Scope of Powers and Duties of the Company's Secretary

1. To give primary advice to directors relating to matters of guidelines as per the criteria of the authorities, the Company's rules and regulations; to follow up the correct and consistent compliances; and to report any significant changes to directors.
2. To promote knowledge and understanding relating to corporate governance; to give data to the Board of Directors and to audit the results of compliance with the requirements of such principles.
3. To prepare the meeting agenda, supporting documents for the shareholders' meetings and the Board of Directors' meetings.
4. To convene shareholders' meetings and the Board of Directors' meetings in accordance with the laws, the Company's Regulations and the Code of Practices.
5. To record minutes of the shareholders' meetings and minutes of the Board of Directors' meetings; and to follow up the compliance with resolutions of the shareholders' meetings and with resolutions of the Board of Directors' meeting.
6. To prepare and keep the register of directors, annual reports of the Company, invitations to shareholders' meetings, invitations to the Board of Directors' meetings, minutes of the shareholders' meetings and minutes of the Board of Directors' meetings.
7. To have directors and executives prepare reports of their stake holding and the related parties as per the legal requirements.
8. To keep reports of stakeholding of directors or executives and to send copies thereof to the Chairman of the Board of Directors and to the Chairman of the Audit Committee as prescribed by laws.
9. To supervise the disclosure of data and information reports.
10. To contact and communicate with shareholders for acknowledgment of their rights and the Company's news; and to act as medium between shareholders and the Board of Directors and executives.
11. To follow up the laws, requirements and Code of Practices relating to business operations.
12. To liaise between the Board of Directors and the Company's executives.

- The person, who assigned to be directly responsible for Accounting supervision: -
  - Miss Tipnara Nganthavee, Finance Director
    - Training history :
      - Related party transaction and impairment issues
      - Data privacy law and cyber security
      - Update on TFRS9 and other new standards
      - Safe, Strong & Sustainable : A Practical Guideline for Managing Strategic Risks
  - Miss Tipaporn Rittawa, Accounting Manager
    - Training history :
      - Safe, Strong & Sustainable : A Practical Guideline for Managing Strategic Risks
      - Tax benefits and accounting implications
      - Internal control of accounting information system for effective risk management
      - Transformative Accounting transforming accounting operations with digital technology.
- The person, who ranks in the position of Internal Audit Supervisor: -
  - None -
- The person, who ranks in the position of supervisor of the company's operations (Compliance)
  - None -

#### 7.6.2 Investor Relations

As for investor relations, the Company has established investor relations office to disclose various information to shareholders and investors, both financial data and other information which can affect the Company's stock prices. For more information, investors will be able to contact the investor relations office, Miss Duangdao Sukhavanich, at telephone no. 0-2711-5134 Ext.124 or e-mail: investor\_relation@scp.co.th.

#### 7.6.3 Audit Fee

The 2020 Annual Ordinary Meeting of Shareholders has passed its resolution to approve the appointment of DIA International Auditing, as the Company's auditor and to approve the audit fee for the year 2020 whereas, the Company has paid the audit fee as per the Form of Verification of Payment of Audit Fee for the years ended on 31st December 2020, as follows:

##### Remunerations for the Year 2020

#### 1. Audit Fee

The Company shall pay the audit fee to:

- The Company's auditor for the previous accounting period amounted to 1,340,000 Baht;
- The audit office that the auditor is affiliated with, the related parties of the auditor and the audit office that the auditor is affiliated with, during the previous accounting period amounted to \_\_\_\_\_ บาท

#### 2. Non-audit Fee

- None -

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## 8. Report on performance of corporate governance

### 8.1 Summary of the Board's Performance in the Past Year :-

The Board of Directors has the intention of performing duties for good corporate governance, in order to the organization to operate ethically and reliably to all concerned parties, encourage the organization to build a good relationship with the community by taking part in community activities continuously every year including environmental conservation activities in the community, this is to create a culture for the organization, employees, and communities to coexist with sustainability and happiness. In addition, the Board also realizes the importance of enhancing the competitiveness of the business by giving advice and encourage organizations to always adopt new innovations or create new products. This year, the company has produced and sold the precast concrete (BARRIER) as a new product. The trend will be in demand in the future.

The Board of Director participates to approve the importance policy such as Anti Policy Corruption which laid out the operational framework with a review and follow up periodically. In terms of internal control, the Audit Committee must report the results of the internal audit, results of meetings with the management team, results of the meeting with the auditors, observations received from the auditor's report including the solutions to the Board of Director acknowledge every meeting held, due to the Board of Director can jointly assess and monitor the progress of the remedial action. Furthermore, the Board of Director has assessed the adequacy of the internal control system together with reviewing the implementation of the corporate governance policy to apply, any principles that cannot yet be applied, to be recorded in the minutes of the board meeting for review and find the solutions.

#### 8.1.1 Nomination, Development and Evaluation of the Board's Performance

Although the Board of Director has not yet established a Nomination Committee, in the selection and appointment of directors every time, the Board of Director will consider and carefully screened, by the ability and past work experience, ethics and good of conduct. In addition, the Board of Directors provides an opportunity for shareholders to submit a list of persons to the Board of Directors for consideration. The selection of Independent Directors is based on the qualifications specified by the Stock Exchange of Thailand; not being a stakeholder or having a business relationship with the company including not being a related person or having a relationship with Company's related persons. Appointment of directors must be approved by the Board of Directors meeting and the appointment by the Annual General Meeting of Shareholders, in which shareholders are able to vote to appoint each director individually but cannot split their votes and the appoint directors must receive a majority vote from the shareholders who attend the meeting and have the right to vote.

The Board of Directors conducts self-assessment and performance evaluation of the top management once a year, in the meeting the Board of Director will jointly complete the assessment in accordance with the guidelines of The Securities and Exchange Commission, therefore, the assessment is independent.



## Nomination and Appointment of Directors and Top Executives : -

### **(1) Selection of independent directors**

The committee shall select independent directors from person with required skills and experience useful for the Company's businesses and independent qualification.

Southern Concrete Pile Public Company Limited has specified the definition of Independent Directors more than the minimum requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand according to the Announcement of the Capital Market Commission, the details are as follows:

#### Definition of Independent Directors

1. Holding shares not more than 1% of total shares having right to vote of the company, parent company, subsidiaries, associate companies, or the entity which may have conflict of interests. The count of shares shall be inclusive of shares of related persons of Independent Directors.
2. Not being, have not ever been director taking part in management, staff, employee or advisor who receives salary or not being controlling person of Company, parent company, subsidiaries, associate company, same level to subsidiaries, or the entity which may have conflict of interests unless he/she has passed such characteristics for at least 2 years prior to appointment, not including cases of former civil servants, consultants of government agencies that are major shareholders or controlling persons.
3. Not being person having relationship by blood relationship or by legal registration relationship in the kind of father, mother, spouse, brother-sister and child including spouse of child of Executive Director, major shareholder, controlling person, or the person who has been proposed to be Executive Director or controlling person of the Company or subsidiaries.
4. Never or have not ever had business relationship with the Company, parent company, subsidiaries, associate company, or the entity which may have conflict of interests in characteristic that may interrupt his/her independent judgment, including have not ever been major shareholder, director who is not independent director or executive director of entity having business relationship with the Company, parent company, subsidiaries, associate companies, or the entity which may have conflict of interests unless he/she has passed such characteristics for at least 2 years prior to appointment.
5. Never or have not ever been auditor of the Company, parent company, subsidiaries, associate companies, or the entity which may have conflict of interests, and never or have not ever been major shareholder, director who is not independent director or executive director, managing partner of audit firm who has auditor of the Company, parent company, subsidiaries, associate companies, or the entity which may have conflict of interests unless he/she has passed such characteristics for at least 2 years prior to appointment.
6. Never or have not ever been professional service provider including lawyer or financial adviser which has received the service fee more than 2 Million Baht per year from the Company, parent company, subsidiaries, associate companies, or the entity which may have conflict of interests. In this regard, if professional service provider is an entity, it shall include being major shareholder, director who is not independent director or executive director or managing partner of the professional service provider unless he/she has passed such characteristics for at least 2 years prior to appointment.
7. Not being director appointed for being agent of director of the Company, major shareholder, or shareholder related to the major shareholder of the Company.

8. Not undertaking any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertake business in the same nature and in competition with the business of the Company or its subsidiary.
9. Not being director nominated from the Board of Directors to decide in business operation of the Company, parent company, subsidiaries, associate companies, associate company in the same level, or the entity which may have conflict of interests.
10. If the Independent Director is in the position of independent director in parent company, subsidiaries, associate companies, and associate companies in the same level, the Company must disclose the information of such position and total remuneration that Independent Director shall receive in form 56-1.
11. There is no any other characteristic causing unable to give comment independently related to the operation of the Company.

**(2) Nomination of the Company's Directors and the Top Management**

**1. Nomination of Directors**

The committee shall nominate person with required qualifications for the director position in case of a vacancy due to the end of directorship term or others. The nomination shall be persons with different background and expertise; having leadership, visions, morality, transparent and flawless work history; and promote and support corporate governance implementation. Additionally, they shall have qualifications in accordance with the Securities and Stock Exchange Act, the SEC and the SET rules.

*The Directors shall perform as follows:*

- Nominate person with required qualifications to be a directors in place of vacancy position.
- Consider the candidate nominated by minor shareholders as the Company allows shareholder to propose the nomination in advance (if any).
- Propose the nomination for directorship to the Company's Directors for appointment (in case of transitory vacancy).
- Present the candidates to the Company's Directors for approval and propose to the shareholders' meeting for appointment.

**2. Nomination of the Top Management**

The directors shall select and consider person with knowledge, ability, and experience useful to management and understanding the Company's businesses; having leadership, vision, morality; transparent and flawless work history; and promote and support good governance implementation. For executives in department level onward, the management shall propose to the Managing Director for appointment.

**Supervision of Operations of Subsidiaries and Affiliates :-**

The Company has no subsidiaries and affiliates.

### 8.1.2 Meeting attendance and payment of remuneration for directors: -

#### The Board of Directors' Meetings

The company shall convene the Board of Directors' meeting at least 4 times yearly for the Directors to acknowledge and participate in decision-making about business operations. The meeting schedule shall be planned in advance so that the Board of Directors are able to manage the time to attend the meeting. Unless of special agenda, the Chairman of the Board or the Board members equal to the number prescribed by laws can convene the additional meetings as deemed necessary.

In the Board of Directors' meeting, the Chairman of the Board and the Managing Director shall jointly consider the agenda. The Board members are opened to propose the issues for consideration of the agenda. The Chairman of the Board shall preside and supervise the meeting to ensure that each agenda is considerably covered. Additionally, the Chairman shall support all Board members to express their views and discuss the issues independently. The top management executives shall be encouraged to attend the Board of Directors' meeting in order to elucidate information details under their responsibilities. The meeting materials shall be sent for at least 7 days in advance so that the Board of Directors can study the information adequately before attending the meeting. The minutes of the meeting shall be recorded and reported in writing.

In case of a director having interests in consideration of any agenda, the stakeholder director shall abstain from participating in the decision-making of that agenda. The company has the policy to convene meetings of non-executive directors with no involvement of the management, in case of deemed necessary, to discuss and freely express their views.

- In 2020, the Board members attending the meeting are as follows :-

Name		The Audit Committee's meetings	The Board of Directors' meetings	Annual General Meetings
1. Mr. Pongpayome	Vasaputi	2/4	7/7	1/1
2. Mr. Bonguea	Limsuebchuea	4/4	7/7	1/1
3. Mr. Tasanai	Atichati	4/4	7/7	1/1
4. Police Colonel Somyod	Kaewbangkerd	2/4	4/7	-
5. Mrs. Arunee	Nganthavee	-	7/7	1/1
6. Mr. Thamrong	Nganthavee	-	7/7	1/1
7. Mr. Suckchai	Nganthavee	-	7/7	-
8. Mr. Kitja	Nganthavee	-	7/7	1/1
9. Mr. Akapop	Nganthavee	-	7/7	1/1
Total		4	7	1
%		100	100	87.50

Remark:

1. Mr. Pongpayome Vasaputi has resigned from the position of Chairman of the Audit Committee and Member of Audit Committee which has been approved by the 2020 Annual General Meeting of Shareholders held on July 21, 2020 while retaining the position of Chairman of the Board of Directors and Independent Director. Thus, Mr. Boonguea Limsuebchuea to take a position representative Chairman of the Audit Committee.
2. Police of Colonel Somyos Kaewbangkerd was appointed as Member of Audit Committee and Independent Director which has been approved by the 2020 Annual General Meeting of Shareholders held on July 21, 2020 and he attended as an observer in the Board of Directors meeting No. 4/2020 held on May 15, 2020 and No.5/2020 held on June 9, 2020 and attended the meeting as Member of Audit Committee and Independent Director in the Audit Committee Meeting No. 3/2020 and the Board of Directors Meeting No. 6/2020 on August 14, 2020 onwards.
3. The impact of epidemic of COVID-19 situation, thus the Board of Director meeting in 2020 are sometimes communicated online.

- **Monetary compensation:-**

- None -

- **Remunerations of Directors for the past year**

The Company has paid remunerations to directors and executives, as per the following details

- **Monetary Remunerations of Directors :-**

Name	2020		2019	
	Nature of Remuneration	Total Amount (Baht)	Nature of Remuneration	Total Amount (Baht)
1. Mr. Pongpayome Vasaputi (Independent Director)	Meeting allowances and position allowances	440,000.00	Meeting allowances and position allowances	440,000.00
2. Mr. Bonguea Limsuebchuea (Independent Director)	Meeting allowances and position allowances	380,000.00	Meeting allowances and position allowances	350,000.00
3. Mr. Tasanai Atichati (Independent Director)	Meeting allowances and position allowances	330,000.00	Meeting allowances and position allowances	330,000.00
4. Police Colonel Somyod Kaewbangkerd (Independent Director)	Meeting allowances and position allowances	240,000.00	Meeting allowances and position allowances	-
5. Mrs. Arunee Nganthavee	Meeting allowances and position allowances	310,000.00	Meeting allowances and position allowances	310,000.00
6. Mr. Thamrong Nganthavee	Meeting allowances and position allowances	160,000.00	Meeting allowances and position allowances	160,000.00
7. Mr. Suckchai Nganthavee	Meeting allowances and position allowances	40,000.00	Meeting allowances and position allowances	170,000.00
8. Mr. Kitja Nganthavee	Meeting allowances and position allowances	240,000.00	Meeting allowances and position allowances	220,000.00
9. Mr. Akapop Nganthavee	Meeting allowances and position allowances	220,000.00	Meeting allowances and position allowances	210,000.00
<b>Total</b>		<b>2,360,000.00</b>		<b>2,190,000.00</b>

Note:-

- Independent directors did not hold any positions in subsidiaries or affiliates of similar classes.

- **Other remunerations:-**

- None-

### 8.1.3 Supervision of Subsidiaries and Associated Companies

- None-

### 8.1.4 Monitoring Compliance with Corporate Governance Policy and Practices:-

#### (1) Prevention of Conflicts of Interest:

The company has established a policy on prevention of conflicts of interest. Business operations must be performed only in the best interest of the Company and avoid any action that may create a conflict of interest by requiring those who are involved or have a stake in the transaction considered, they must notify the company of their relationship or interest in the said transaction and must not participate in the decision making or not approve the transaction.

**The Management Policy for the Conflict of Interest as following details;**

1. There are inspections and ensuring that the Company has complied with the rules, procedures and disclosures of connected transactions as required by laws or regulators and in accordance with the regulations of the company.
2. Avoid making transactions that are related to oneself or any related person / juristic person that may cause a conflict of interest with the company.
3. The connected transaction must be in accordance with the general commercial conditions in accordance with the principles approved by the Board of Directors with transparency and fairness, it is like making transactions with outsiders and having to consider the best interests of the company.
4. Connected transactions which do not meet the general commercial conditions as approved by the Board of Directors in principle or the size of the transaction is not within the power of the management's consideration, it must be reviewed and given opinions from the Audit Committee before submitting for approval from the Board of Directors or shareholders
5. Stakeholders must not take part in the consideration of any transaction in which they have a conflict of interest.

**(2) Using inside information for benefits:**

**Supervision for inside information use:**

The company monitors the inside information use in accordance with good corporate governance principles as follows:

**Measure for Inside Information Supervision**

- The Company shall set criteria and limit accessibility to inside information. The person who can access the Company's inside information shall not reveal such information to others, or before being publicly disclosed.
- The Company shall establish policy and measure for inside information use of directors, executive and employees. It is prohibited directors, executives and employees to reveal confidential data to the third parties or use their positions improperly to seek personal interests or benefits of others. In case of violation, the action shall be considered as a disciplinary offence.
- The Company shall apply information security system to supervise the Company's data access by determining the data accessibility level to all level of personnel based on their responsibilities.

**(3) Anti-corruption:**

Southern Concrete Pile Public Company Limited foresees the importance of business operations with morality, ethics, and social responsibilities. The Company encourages its employees, executives, as well as directors to adhere to codes of ethics. Due to the realization of anti-corruption, the Company promotes all levels of employees and related persons to act against all kinds of corruption and obey Thai laws. The Company, therefore, has established anti-corruption policy, as follows:

### Definitions

<b>Fraud</b>	means performing or refraining to perform duties or wrongfully use of power in positions to demand any article or benefits for personal interest or benefits of others.
<b>Corruption</b>	means giving or receiving, promising to give money, articles, services or any other benefits to government officials, government agencies, business organizations, or stakeholders in order to perform or refrain to perform, to acquire undue benefits or privileges, to gain advantages in business competition, or to protect or conceal offences under the laws, for corporate benefits or self-interest or others.
<b>Company</b>	means Southern Concrete Pile Public Co. Ltd
<b>Subsidiary</b>	means juristic persons that the Company holds share not less than 50 percent (the Company has no subsidiaries).
<b>Director</b>	means the Company's directors, subcommittee, and independent directors.
<b>Executive</b>	means personnel in commanding level i.e. managing director, directors, department managers, heads of sections, including deputies or assistances of aforesaid positions.
<b>Personnel</b>	means daily and monthly paid employees, including temporary contract employees.
<b>Related person</b>	means spouses, children, and relatives of the Company's directors, executives, and personnel.
<b>Third party</b>	means partners, contract party and subcontractors.
<b>Stakeholder</b>	means those who have relationships with directors, executives, employees, community partners, and surrounded communities.

### Anti-Corruption Policy :-

#### **"Against all corruptions both direct and indirect manners"**

Employees, executives, directors, subcommittee, and internal auditors of Southern Concrete Pile Public Co. Ltd. shall comply to the anti-corruption policy as follows:

1. Prohibit to perform any improper action or corruption with or without intention, directly or indirectly, for corporate benefit or one's interest and relatives.
2. Refrain to accept all kinds of corruption, even for corporate benefit or one's interest and relatives
3. Corporate, as well as stakeholders, shall not get involved in corruptions in direct or indirect manners.
4. Notify or report the supervisors by any mean if witness the corruption or corruption possibility.
5. Acknowledge employees, executives, directors, and third parties about the intention to anti-corruption including making employees understand about the policy.
6. Not lessen position, punish or give penalties to employees who perform against corruption even that performance causing the Company to lose business opportunities.

### Practice Guidelines

In response to anti-corruption policy, the Company has established practice guidelines, as follows:

#### **1. Political Contributions**

Political Contribution means giving financial support or other contributions to political parties, politicians or political candidates, including related person or agencies.

The Company shall act neutrally and not perform any actions to align with any political party or authorities. It is prohibited to offer the Company's money or resource, directly or indirectly, to political parties or politicians. The Company shall stipulate the practices, as follows:

1. Not allow to install campaign signs of any political party or any person in the Company's premises or on the Company's properties.
2. Not allow to use the Company's vehicles or properties to transport people for voting to any specific party, or to support any party or any candidate
3. Not accept donation of money or articles which is a contribution to any political party or activity of any group, as well as not give support or assistance, directly or indirectly, to specific candidate.
4. Support democratic movement, as well as give contributions to non-specific political activities as prescribed by related laws; and allow employees to take leaves for voting at their domiciles.
5. The Company's directors, executives and personnel are entitled to independently and personally participate or support political activities, outside of business hours. However, they shall not make use of the Company membership for any political benefit.

#### **2. Charitable Contributions and Sponsorships**

The charitable donations in form of money or articles, as well as money sponsorships, to government agencies or third parties shall be considered and approved by supervisors as contributions beneficial to public or surrounded communities. The donations shall not be for corporate benefits or personnel, or for competitive advantage. All contributions and sponsorships shall be performed on behalf of the Company, with reliable certification or receipt to proof the activity arrangement, following approval process of the top management.

#### **3. Gift and Modest Expenses**

Building good relationships with customers or business partners is necessary to business operations. The Company, therefore, has established policy in provision or receipt of gifts or entertainment to avoid corruption as mentioned below:

Employees shall provide or receive gifts and pay modest expenses in the following conditions:

1. Subject to customary practices, business convention or manners.
2. Subject to appropriate value and occasions.
3. In accordance with laws, code of conduct, or anti-corruption policy.
4. Must not be valued exceeding to 3,000 baht.
5. Must be followed approval process.
6. Accept gifts as customary practices, business convention or manners not exceeding to 3,000 baht. The received gift shall be submitted to the Company and it shall be allocated as appropriate. In case a gift is valued more than 3,000 baht, employees shall inform supervisors for consideration prior to the receipt.

To avoid involvement and risk of corruption, payment of donation, sponsorship, or modest expenses shall be performed by filling in an approval form identifying reasons of the matters.



#### **4. Third Parties**

1. The Company's employees, executives, and directors are prohibited to offer money, returns or any privilege to employees or decision-making authorities of partner companies in order to acquire trading privilege or competitive advantages.
2. The Company's employees, executives, and directors are prohibited to demand for money, returns or any interests from contractors or persons selling products or providing services to the Company in exchange of buying products or services from specific traders.
3. Employees shall not make personal advantages obtained by position to receive or demand third parties or extended parties to provide any service not related to Company's business.

#### **Responsibilities and Punishment**

The Board of Directors intends to implement effective anti-corruption policy, including creating awareness in corporate, leading to corruption free nation or public. The responsibilities and punishment are stipulated as follows:

1. The Board of Directors has duties and responsibilities in formulating policy and monitoring its effective results.
2. The Audit Committee has duties to review and examine the operation in accordance with anti-corruption policy and practice guidelines for corruption prevention.
3. The Company's employees, executives, directors and subcommittee shall strictly perform their duties according to anti-corruption policy.
4. In case of witnessing corruption of the Company's employees, executives and directors, the maximum penalties shall be specified according to the Company's provisions, Thai laws, or laws related to the Stock Exchange.
5. It is responsible of executives in all departments of marketing, procurement, accounting, production, service and personnel, to regularly monitor working process to avoid corruption.

#### **(4) Whistleblowing:**

##### **Policy of Whistleblowing**

- The Company shall provide all group of stake holders an opportunity to exchange information, including listening to opinions and suggestions of all stakeholders for mutual benefits; and to operate the Company according to the operation plan and objectives. In case the stakeholders have not received fair treatment, they shall contact or complain directly to the Company's Audit Committee at e-mail: [audit\\_committee@scp.co.th](mailto:audit_committee@scp.co.th) and/or to the Company Secretary at e-mail: [company\\_secretary@scp.co.th](mailto:company_secretary@scp.co.th).
- The Company has developed practice guidelines for protecting employees or whistleblower. Information received shall be treated as confidential. The investigation processes shall be done without disclosing the name of a whistleblower, a complainant or information resource.
- In case of improper behavior, the committee shall be established to investigate, make judgment, consider, punish and present the report to the Board of Directors.

#### **Information Disclosure and Transparency**

The Company realizes the importance of corporate governance. Therefore, it has revealed the essential information to public correctly, precisely, transparently and punctually according to the criteria prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand through communication channels where investors and stakeholders can easily and equally access. The Company shall disseminate information via SET Portal system of the Stock Exchange and the Company's website, both in Thai and English.

Throughout the year of operation, the Company strictly adheres to laws and regulations prescribed by the SEC, the SET and other related government agencies. The Company has disclosed the essential information and prepared the financial report and other reports as specified by the determination of the SET and the SEC for benefit of decision making on investment and creating confidence for investors. The Company also intends to add value to its business, create competitiveness, and sustainable good performance.

As for investor relations, the Company has established investor relations office to disclose various information to shareholders and investors, both financial data and other information which can affect the Company's stock prices. For more information, investors will be able to contact the investor relations office, Miss Duangdao Sukhavanich, at telephone no. 0-2711-5134 Ext.124 or e-mail: investor\_relation@scp.co.th.

**8.2 Report on the performance of duties of the Audit Committee: -**

-According to Attachment 6-

**8.3 Summary of the performance of duties of the other committees: -**

-None-

## 9. Internal control and related transactions

### 9.1 Internal Control

The Board of Directors foresees the importance of internal control and risk management system. Therefore, the Company organizes SCP: System Control Project as a tool for internal control and risk management. The committee for monitoring factory management system or SCP committee has been appointed consisting of Managing Director and executives as follows:

1)	Mrs. Arunee	Nganthavee	Managing Director	Chairman of the Board
2)	Miss Tipnara	Nganthavee	Finance Director	Board
3)	Mr.Kampanart	Petvaroon	General Manager	Board
4)	Mr. Taweesak	Wongsuppachart	Square Pile Production Manager	Board
5)	Mr. Somsak	Wattanatham	General Manager, Nakhon Pathom Factory	Board
6)	Mr.Amnuai	Emkosa	Marketing and Sales Manager	Board
7)	Mr. Krisana	Sartwathanaroj	Engineering and Service Manager	Board
8)	Mrs. Nittaya	Chunualsri	Senior Accounting Manager	Board
9)	Miss Duangdao	Sukhavanich	Financial Manager	Board
10)	Miss Tipaporn	Rittawa	Accounting Manager	Board
11)	Mr. Rattapol	Siripakamontri	Deputy Personnel Manager	Project Secretary

The subcommittee of System Control Project or SCP subcommittee consists of 15 department executives. They have duties to investigate with the propose to ensure the Company's effective and efficient operating system, effective use of resource, effective operating control; correct, reliable, and timely report preparation; and policy compliance for benefit of all stakeholders. The subcommittee shall report the result of monitoring of factory management system to the Managing Director who is the chairman of the project. After that, the Managing Director shall summarize the results and present to the Audit Committee for reviewing the system and ensure the appropriateness and efficiency of the Company's internal control and internal audit systems.

#### © The Internal Control

In the Board of Directors' Meeting No. 1/2021, the Board has evaluated the sufficiency and suitability of internal control system from the report proposed by the Audit Committee in the sufficiency evaluation of internal control system. It composes of 5 elements which are

1. Internal control
2. Risk assessment
3. Operation control
4. Information system and data communication
5. Monitoring system

In conclusion, the Company has sufficient internal control system suitable for business operations. There is no significant defect of the internal control. The current system is able to protect the Company's properties from wrongly or unauthorized use of executives. The Company's financial report is correct and reliable in accordance with financial report standard. The Company operation has been complied to securities and stock exchanges and related laws.

The Board of Directors, the Audit Committee, and the auditors agree that the Company's operations is in accordance with corporate governance principle; has suitable and efficient internal control system. The system can prevent wrongly or unauthorized use of Company properties of executives and staff.

© **Risk Management**

In the Board of Directors' meeting No. 1/2021, the Board has reviewed the assessment of risk management because of the realization that risk management is an important element to achieve the Company's set objectives and goals. Moreover, risk management is an essential factor to investment decision; supports sustainable growth of the Company and ability to compete with others; and adds value to the corporate, shareholders and all stakeholders. The Audit Committee have duties to ensure that the Company has comprehensive risk management procedure. The Committee views that the Company has effective and efficient risk management system which set objectives, indicators, risk assessment, risk management, following-up results, determination of acceptable risk issues and risk level, as well as review of suitable risk to be suitable and in accordance with business change.

© **Fraud Risk-Assessment and Prevention**

1. Heads of all departments shall identify activities in fraud risk in work procedures, and assess incurring impacts, as well as prepare preventing measures. In case of unacceptable risks occur, the Company shall have investigation, monitoring and reporting the results to the top executives and the Board of Directors.

Risk Activities and Prevention Guidelines

• **Procurement**

The Company shall set procurement policy with price checking to avoid monopoly trading. The approving procedure shall be clear. The officers are assigned for checking the supply and inspecting the quality. The procurement process shall be regularly monitored.

• **Product Selling**

The approval authorization of price proposal, condition and price deduction shall be set clearly and regularly monitored.

• **Cooperation with Government Agencies and Officers**

The Company shall prohibit offering benefits to government officials. The imbursement in risk of bribery to government officials shall be proposed to the screening procedure.

• **Company's Data Accessibility**

The Company shall specify level of data access suitable for positions and responsibilities with the regular examination of data management unit.

2. Create employees' awareness of anti-corruption and taking actions when witnessing corruption within or outside the corporate.

3. Set the anti-corruption policy and publicize to all employees.

4. Specify punishment for corruption or any action against anti-corruption policy

## 9.2 Related Transactions (If any)

### (1) Sale of Products and Services

Name and Relationship	Nature of Transactions	Value (Million Baht)	Necessity and Validation	Pricing Policy
Thai Wire Products Public Co., Ltd. (The Company registered its shareholding of 9.99%)	Purchase of raw materials	94.28	Being a major manufacturer; having consistent quality of products and meeting the required standards of the Company	Market prices; 90-day credit
Nganthavee Service Co., Ltd. Major shareholders are of the same group, i.e., Nganthavee Group holding 100% shares	Purchase of diesel oil	0.09	Convenient in using services	Market prices; 30-day Credit
Chinteik Brothers Co., Ltd. Major shareholders are of the same group, i.e., Nganthavee Group holding 89.45% shares	Rentals of land	1.29	Convenient transport	Prices as agreed
Surat ready-mixed Co., Ltd. The Company had already sold all the shares in November, 2014	Sales of general material installing prestressed concrete products, and repair works	1.09 21.59	Convenient in using service	Price comparison similar to other suppliers

All of the Related Transactions had agreed from Audit Committee already and continue from previous years.

### (2) Balances from Sale of Products and Services

- Outstanding debtor balances have been disclosed in the Notes to Financial Statements as of 31<sup>st</sup> December 2020, Clause 4.
- Outstanding creditor balances have been disclosed in the Notes to Financial Statements as of 31<sup>st</sup> December 2020, Clause 4.

**To the Shareholders of Southern Concrete Pile Public Company Limited*****Opinion***

I have audited the financial statements of Southern Concrete Pile Public Company Limited which comprise the statement of financial position as at December 31, 2020, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Southern Concrete Pile Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

***Basis for Opinion***

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

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### ***Key Audit Matters***

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

Key audit matters included auditing procedure are as follows.

- Allowance for expected credit losses

As at December 31, 2020, the Company has material amount of accounts receivable Baht 440 million as stated in note to financial statements No. 6. The Company initially recognizes trade receivables on an amount of unqualified consideration, less allowance for expected credit losses. In determining the expected credit losses using by simplified approach by considering each group of debtor under overdue period of the pile industry and consider each different customer. And the expected credit loss rate is determined by the nature of the payment in the past. Including information and future factors that may has impact to debt repayment.

I have obtained an understanding and assessed the reasonableness of assumption and the accuracy receiving payment statistic in the past including performed testing the accuracy of information for used in the assumption made by the management.

- Various revenue recognition and different delivery conditions

The Company has various revenue recognitions such as revenue from sales and revenue from sales including service. It may have an error in revenue recognition in revenue from sales including service which is a major revenue and has many construction sites. It may take risk from receiving incorrect information by gathering information from construction sites for revenue recognition. Accordingly, I have addressed as key audit matter.

I have obtained an understanding revenue recognition process of revenue from sales including service and considered performance obligation under the contract, control power of goods, services and related internal control system by reviewing the design and implementation of internal control procedure in gathering information for revenue recognition including performing substantive test by included



- Review condition of sales and service agreement and perform revenue cut-off at the end of period.
- Observe inventories physical count at construction sites and examine daily work report and compare with accounting record.

### ***Other Information***

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

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

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

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

---

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, 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.

D I A International Audit Co., Ltd.

*S. Mangit.*

(Miss Suphaphorn Mangjit)

C.P.A. (Thailand)

Registration No. 8125

February 25, 2021

# STATEMENTS OF FINANCIAL POSITION

## Southern Concrete Pile Public Company Limited

As at December 31, 2020

		2020	2019
Assets	Note	(in Baht)	
<b>Current assets</b>			
Cash and cash equivalents	5	263,070,305	405,741,732
Current investments		-	571,547,456
Trade accounts receivable and other current receivables	6	400,696,129	441,674,673
Inventories	7	213,654,623	211,458,158
Other current financial assets	8	742,434,568	-
Retention receivables		21,876,931	25,820,494
<b>Total current assets</b>		<b>1,641,732,556</b>	<b>1,656,242,513</b>
<b>Non-Current Assets</b>			
Other non-current financial assets	9	74,490,510	-
Other long-term investments		-	78,267,080
Property, plant and equipments	10	612,202,787	606,272,063
Right-of-use assets	11	29,660,588	-
Restricted deposit at banks	28	23,373,372	23,252,747
Deferred tax assets	14	7,034,122	9,629,937
Other non-current assets	12	9,967,562	6,280,748
<b>Total non-current assets</b>		<b>756,728,941</b>	<b>723,702,575</b>
<b>Total Assets</b>		<b>2,398,461,497</b>	<b>2,379,945,088</b>

Notes to financial statements are parts of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

## Southern Concrete Pile Public Company Limited

As at December 31, 2020

		2020	2019
		(in Baht)	
Liabilities and equity	Note		
<b>Current liabilities</b>			
Trade accounts payable and other current payables	13	223,370,557	255,117,222
Current portion of financial lease liabilities		-	3,652,219
Current portion of lease liabilities	11	4,488,069	-
Accrued income tax		20,166,653	29,708,283
<b>Total current liabilities</b>		<b>248,025,279</b>	<b>288,477,724</b>
<b>Non-current liabilities</b>			
Financial lease liabilities		-	2,439,222
Lease liabilities	11	24,342,067	-
Non-current provisions for employee benefits	15	53,482,880	55,827,315
<b>Total non-current liabilities</b>		<b>77,824,947</b>	<b>58,266,537</b>
<b>Total liabilities</b>		<b>325,850,226</b>	<b>346,744,261</b>
<b>Equity</b>			
Share capital			
Authorized share capital		300,000,000	300,000,000
Issued and paid-up share capital		300,000,000	300,000,000
Retained earnings			
Appropriated			
Legal reserve	16	30,000,000	30,000,000
Treasury stock reserve		53,210,626	-
Unappropriated		1,751,719,935	1,709,288,235
Treasury stock	17	(53,210,626)	-
Other components of equity		(9,108,664)	(6,087,408)
<b>Total equity</b>		<b>2,072,611,271</b>	<b>2,033,200,827</b>
<b>Total liabilities and equity</b>		<b>2,398,461,497</b>	<b>2,379,945,088</b>

Notes to financial statements are parts of these financial statements.

# STATEMENTS OF COMPREHENSIVE INCOME

## Southern Concrete Pile Public Company Limited

For the year ended December 31, 2020

		2020	2019
	Note	(in Baht)	
<b>Revenues</b>			
Revenue from sales		1,270,255,285	1,449,534,778
Revenue from rendering of services		391,887,410	476,189,058
Total revenue from sales and rendering of services		1,662,142,695	1,925,723,836
Other income		14,576,094	34,445,748
<b>Total revenues</b>		<b>1,676,718,789</b>	<b>1,960,169,584</b>
<b>Expenses</b>			
Cost of sales		(889,570,035)	(1,050,450,679)
Cost of rendering of services		(304,735,258)	(372,241,945)
Total cost of sales and rendering of services		(1,194,305,293)	(1,422,692,624)
Selling expenses		(37,916,113)	(34,300,387)
Administrative expenses		(165,921,230)	(192,507,736)
Finance costs		(4,369,452)	(5,171,519)
<b>Total expenses</b>		<b>(1,402,512,088)</b>	<b>(1,654,672,266)</b>
<b>Profit before income tax expense</b>		<b>274,206,701</b>	<b>305,497,318</b>
Income tax expense	21.1	(58,568,375)	(61,660,230)
<b>Profit for the year</b>		<b>215,638,326</b>	<b>243,837,088</b>
<b>Other comprehensive income :-</b>			
<b>Items that are or may be reclassified to profit or loss :-</b>			
Gains (losses) on valuation of available-for-sale investments		-	(46,937,370)
Income tax on components of other comprehensive income		-	9,387,474
		-	(37,549,896)
<b>Items that will never be reclassified to profit or loss :-</b>			
Gains(Losses) from financial assets measurement	9	(3,776,570)	-
Defined benefit plan actuarial gains (losses)		-	19,535,187
Income tax on components of other comprehensive income		755,314	(3,907,037)
		(3,021,256)	15,628,150
<b>Other comprehensive income (loss) for the year net of income tax</b>		<b>(3,021,256)</b>	<b>(21,921,746)</b>
<b>Total comprehensive income for the year</b>		<b>212,617,070</b>	<b>221,915,342</b>
<b>Basic earnings per share basic</b>	22	<b>0.73</b>	<b>0.81</b>

Notes to financial statements are parts of these financial statements.



# STATEMENTS OF CHANGES IN EQUITY

## Southern Concrete Pile Public Company Limited

For the year ended December 31, 2020

	Note	Retained earnings		Other components of equity			Total equity	
		Issued and paid-up share capital	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments <i>(in Baht)</i>	Actuarial gains (losses)		Total other components of equity
For the year ended December 31, 2019								
Beginning balance 2019		300,000,000	30,000,000	1,599,822,997	31,462,488	-	31,462,488	1,961,285,485
Changes in shareholders' equity								
Dividend to shareholder of the Company		-	-	(150,000,000)	-	-	-	(150,000,000)
Total comprehensive income								
Profit for the year		-	-	243,837,088	-	-	-	243,837,088
Other comprehensive income for the year		-	-	-	(37,549,896)	15,628,150	(21,921,746)	(21,921,746)
Transfer to retained earnings		-	-	15,628,150	-	(15,628,150)	(15,628,150)	-
Total comprehensive income for the year		-	-	259,465,238	(37,549,896)	-	(37,549,896)	221,915,342
Total changes in shareholders' equity		-	-	109,465,238	(37,549,896)	-	(37,549,896)	71,915,342
Ending balance 2019		300,000,000	30,000,000	1,709,288,235	(6,087,408)	-	(6,087,408)	2,033,200,827

Notes to financial statements are parts of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

## Southern Concrete Pile Public Company Limited

For the year ended December 31, 2020

For the year ended December 31, 2020										
Beginning balance 2020		300,000,000	-	30,000,000	-	1,709,288,235	(6,087,408)	(6,087,408)	2,033,200,827	
Changes in shareholders' equity										
Dividend to shareholder of the Company		18	-	-	-	(119,996,000)	-	-	(119,996,000)	
Treasury stock		17	-	(53,210,626)	-	53,210,626	-	-	(53,210,626)	
Total comprehensive income										
Profit for the year			-	-	-	215,638,326	-	-	215,638,326	
Other comprehensive income for the year			-	-	-	-	(3,021,256)	(3,021,256)	(3,021,256)	
Total comprehensive income for the year										
			-	-	-	215,638,326	(3,021,256)	(3,021,256)	212,617,070	
Total changes in shareholders' equity										
		-	(53,210,626)	-	53,210,626	42,431,700	(3,021,256)	(3,021,256)	39,410,444	
Ending balance 2020		300,000,000	(53,210,626)	30,000,000	53,210,626	1,751,719,935	(9,108,664)	(9,108,664)	2,072,611,271	

Notes to financial statements are parts of these financial statements.

# STATEMENTS OF CASH FLOWS

## Southern Concrete Pile Public Company Limited

For the year ended Decemeber 31, 2020

	2020	2019
	<i>(in Baht)</i>	
<b><i>Cash flows from operating activities</i></b>		
Profit for the year	215,638,326	243,837,088
<i>Adjustment for</i>		
Depreciation	76,538,413	75,386,557
Expected credit losses ( 2019 Doubtful accounts)	1,759,328	5,742,682
Reversed allowance for doubt accounts	-	(2,015,373)
Transfer allowance for impairment of work in progress	(898,752)	-
Loss from obsolete stock	2,802,055	2,626,092
Loss from written- off of assets	146,929	578,273
Unrealized (gain) loss from charging in value of other current financial assets (2019: current investment)	489,806	(377,331)
Realized gian from disposal other current financial assets (2019: current investment)	(165,747)	(6,371,081)
Gain from disposal of equipment	-	(38,408)
Loss from disposal financial assets	55,600	-
Employee benefit expenses	5,265,301	18,288,864
Interest income	(6,976,150)	(11,134,360)
Dividends income	(1,996,187)	(9,684,205)
Interest expense	1,392,118	461,874
Difference from rental diccount	162,029	-
Income tax expense	58,568,375	61,660,230
	<b>352,781,444</b>	<b>378,960,902</b>
<b><i>Changes in operating assets and liabilities</i></b>		
Restricted deposit at banks	(120,626)	(222,348)
Trade accounts receivable and other current receivables	38,054,426	5,483,977
Inventories	(4,998,520)	35,413,532
Retention receivables	3,943,563	26,584,151
Other non-current assets	(3,686,814)	11,124,794
Employee benefits paid	(7,609,736)	(410,184)
Trade accounts payable and other current payables	(31,746,665)	(32,032,578)
Cash generated from operating activities	<b>346,617,072</b>	<b>424,902,246</b>
Income tax paid	(64,758,875)	(65,056,188)
<b>Net cash from operating activities</b>	<b>281,858,197</b>	<b>359,846,058</b>

Notes to financial statements are parts of these financial statements.

# STATEMENTS OF CASH FLOWS

## Southern Concrete Pile Public Company Limited

For the year ended December 31, 2020

	2020	2019
	(in Baht)	
<b><i>Cash flows from investing activities</i></b>		
Interest received	8,140,940	3,626,914
Dividends received	1,996,187	9,684,205
Purchase of other current financial assets	(229,211,171)	-
Purchase of current investments	-	(50,374,384)
Cash received from current investments		85,545,896
Cash received from disposal other current financial assets	58,000,000	-
Proceeds from disposal of equipment	-	38,411
Cash received from disposal Lease assets	280,374	-
Purchase of property, plant and equipment	(85,382,055)	(78,026,396)
<b>Net cash used in investing activities</b>	<b>(246,175,725)</b>	<b>(29,505,354)</b>
<b><i>Cash flows from financing activities</i></b>		
Interest paid	(1,392,118)	(461,875)
Finance lease payment	-	(7,312,303)
Repayment lease liabilities	(3,755,155)	-
Payment for treasury stock	(53,210,626)	-
Dividends paid	(119,996,000)	(150,000,000)
<b>Net cash used in financing activities</b>	<b>(178,353,899)</b>	<b>(157,774,178)</b>
<b>Net Increase (Decrease) in cash and cash equivalents</b>	<b>(142,671,427)</b>	<b>172,566,526</b>
Cash and cash equivalents at January, 1	405,741,732	233,175,206
<b>Cash and cash equivalents at December, 31</b>	<b>263,070,305</b>	<b>405,741,732</b>
<b>Non - cash transactions</b>		
Tranfered employee benefit obligations due payment to other current liabilities	-	576,267
Recording unpaid right-of-use assets to lease liabilities	26,505,396	-
Transferring property, plant, equipment to right-of use assets	8,373,947	-
Purchasing right-of-use assets (Vehicle)	654,000	-
Transferring right-of use assets to property, plant, equipment	608,781	-

Notes to financial statements are parts of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## Southern Concrete Pile Public Company Limited

For the year ended December 31, 2020

Note	Contents
1	General information
2	Basis of preparation of financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivable and other current receivables
7	Inventories
8	Other current financial assets
9	Other non-current financial assets
10	Property, plant and equipments
11	Leases
12	Other non-current assets
13	Trade accounts payable and other current payables
14	Deferred tax
15	Non-current provisions for employee benefits
16	Legal reserve
17	Treasury stock
18	Dividend
19	Employee benefit expenses
20	Expenses by nature
21	Income tax expense (income)
22	Basic earnings per share
23	Segment information
24	Risk management
25	Classification and fair value measurement of financial instruments
26	Capital management
27	Commitments with non-related parties
28	Pledged assets
29	Events after the reporting period
30	Cumulative effects from changing accounting policy due to adoption new financial reporting standards
31	Financial reporting standards that will become effective in the future

# NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorized for issue by the Board of Directors on February 25, 2021.

## 1 General information

### 1.1 The Company's general information

Southern Concrete Pile Public Company Limited (“the Company”) is incorporated in Thailand, has its registered head office at 555, 17th Floor, SSP Tower Building, Sukhumvit 63 (Ekamai), North Klongton, Watana, Bangkok 10110 and has sale office and 7 factories used for operation as follows:

- |                          |   |
|--------------------------|---|
| 1. Phuket Factory        | : located at 46/9 Thepkasatri Rd., Tambol Ratsada, Muang Phuket District Phuket 83000                   |
| 2. Suratthani Factory    | : located at 25/3 Ratbunrung Rd., Na san District, Suratthani 84120                                     |
| 3. Sale Office           | : located at 15/3 Moo 5, By-Pass Highway, Tambol Makhamtia, Muang Suratthani District, Suratthani 84000 |
| 4. Hat Yai Factory       | : located at 136/4 Moo 3, Petchakasem Rd., Tambol Tung-Tamsao, Hat Yai District, SongKhla 90110         |
| 5. Udonthani Factory     | : located at 342 Moo 2, Tambol Khok Sa-at, Muang Udonthani District, Udonthani 41000                    |
| 6. Ban-Bueng             | : located at 18 Moo 2, Ban-bueng-Klaeng Highway, Tambol Nong-Chak, Ban- Bueng District, Chaonburi 20170 |
| 7. Nakhon Pathom Factory | : located at 16/12 Moo 3, Tambol Homkred, Samphran District, Nakhon Pathom 73110                        |

Major shareholder is Nganthavee family with percentage of shareholding in 2020 : 40.16 % (In 2019 : 40.16%)

The principal activities of the Company are prestressed concrete products involving manufacturing, sales, services and installation.

# NOTES TO THE FINANCIAL STATEMENTS

## **1.2 Corona virus disease 2019-Pandemic**

The Corona virus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company's. The Company 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 judgment in respect of various issues as the situation has evolved.

## **2 Basis of preparation of financial statements**

### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); including interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP) and the regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017 regarding the preparation and submission of financial statements and reports for the financial performance of the listed companies B.E. 2560. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding the condensed form should be included in the financial statements (No. 3) B.E. 2562 dated on December 26, 2019.

### **2.2 New financial reporting standards that became effective in the current period**

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarized below:

#### **Financial reporting standards related to financial instruments**

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



# NOTES TO THE FINANCIAL STATEMENTS

## Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

## Accounting standard:

TAS 32 Financial Instruments: Presentation

## Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

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

- Recognition of credit losses.
- The Company recognizes an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.

These standards do not have any significant impact on the Company's financial statements.

The changes are of accounting policies in Note 30.

## **TFRS 16 Leases**

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

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

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised the comparative information was not restated.

The cumulative effect of the change is described in Note 30 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## **Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”**

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

### **2.3 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

### **2.4 Functional and presentation currency**

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statement to the nearest baht/million unless otherwise stated.

### **2.5 Use of judgments and estimates**

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

- Recognition and derecognition of assets and liabilities
- Allowance for expected credit losses of receivables
- Determining useful lives and residual value of building and equipments
- The incremental borrowing rate of the lease agreement.
- Determining the lease term of contracts with renewal and termination options

# NOTES TO THE FINANCIAL STATEMENTS

- Defined post-employment employee benefits
- Fair value of financial instruments

## **2.6 Fair value measurement**

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

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

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

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

## **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **3.1 Foreign currencies**

Transactions in foreign currencies are translated to the functional currency at the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Foreign currency difference arising on retranslation are generally recognized in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 3.2 *Financial Instruments*

*Accounting policy adopted since January 1, 2020*

The Company 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 asset and financial liabilities**

#### ***Financial assets at amortised cost***

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

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

#### ***Financial assets at FVTPL***

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

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

#### ***Financial assets measured at FVTOCI.***

Financial assets is measured at FVT OCI and presented in the statement of financial position at fair value by recognizing net changes of fair value recognized in OCI

Financial assets measured at FVTOCI cannot be subsequently reclassified. Classification of items is considered by each equity securities Gains or losses on subsequent changes in fair value of these equity investments are recognized in other comprehensive income and It will not be transferred to recognize as profit or loss in the statement of income later when the said investment is disposed which will be transferred to retained earnings instead. Dividend from these investments are recognized in profit or loss. Unless the dividend is clearly expressed as a return on investment costs.

# NOTES TO THE FINANCIAL STATEMENTS

## **Financial liabilities**

The Company classifies financial liabilities as measured at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost

## **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

## **Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Company, are still recognised as financial assets.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

## **Impairment of financial assets**

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

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

## **Write-off**

Debts that are determined to be irrecoverable are written off in the year in which the decision is taken. This is generally the case when the Company determines that the counterparties does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due

## **Trade accounts receivables**

Accounts receivable represent the amount that customers are required to pay for the sale of goods and for the rendering of normal business services.

The Company initially recognized trade receivables on the amount of compensation which was unconditional for the receipt of payment.

# NOTES TO THE FINANCIAL STATEMENTS

The Company uses a simplified approach to measure expected credit losses which are determined by the expected credit loss over the lifetime of the debt and the loss has been recognized since the recognition of trade accounts receivable.

*Accounting policies adopt before January 1, 2020*

## **Current investment**

Investment in fixed-deposit maturity due more than 3 months but less than 1 year and no withdrawal restriction.

Investment in debt securities held to maturity not more than 1 year presented as current assets less provision for impairment (If any.)

Investments in securities held for trading and equity securities which are marketable securities are presented as current assets at fair value. Changes in the fair value of these securities are recorded in profit or loss.

## **Other long-term investments**

Investment in marketable equity securities held as available for sales presented as non-current assets at fair value. Unrealized gain or loss from investment is separately presented in shareholder's equity as the end of period and recognize gain or loss from trading in statement of comprehensive income when trading such securities by net difference price received with weighted average price.

Investment in debt securities held to maturity more than 1 year presented as non-current assets less provision for impairment (If any.)

## **Trade accounts receivables**

Accounts receivable are recognized when the company has the unconditional right to receive compensation under the contract.

Accounts receivable from contracts measured at the net value by allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred

### **3.3 Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, cash at banks, and highly liquid short-term investments with an original maturity of three months or less and not subject to withdrawal restrictions.

# NOTES TO THE FINANCIAL STATEMENTS

## **3.4 Inventories**

Inventories are stated at the lower of cost and net realizable value

Cost of finished goods, work in process, raw materials and spare parts and supplies are calculated using the first in first out principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, includes an appropriate share of production overheads.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

## **3.5 Property, plant and equipment**

### *Recognition and measurement*

#### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.



# NOTES TO THE FINANCIAL STATEMENTS

## *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	10 years
Buildings and construction	30-50 years
Building improvement and leasehold improvement	10 years
Prestressed equipment	20 years
Machinery and equipment	5, 10, 20, 25 years
Machinery and equipment for piling	5, 10, 20, 25 years
Molds	5 years
Furniture, fixture and office equipment	3, 5 years
Vehicles	5, 7 years

No depreciation is provided on freehold land and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## **3.6 Leases**

### *Accounting policies adopted since January 1, 2020*

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

# NOTES TO THE FINANCIAL STATEMENTS

## ***Right-of-use assets***

Right-of-use assets are measured at cost, less any 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 a straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

Leasehold land and building	9 years (Total lives of lease term reasonably certain option to exercise for extend lease term)
Building and improvement	9 years
Vehicles	5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable payment depending on index and 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 Company 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.

In calculating the present value of lease payments, the Company uses its 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

# NOTES TO THE FINANCIAL STATEMENTS

## ***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.

## ***Accounting policies adopt before January 1, 2020***

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

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

## **3.7 *Impairment of non-financial assets***

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

An impairment loss is recognised in profit or loss.

## **3.8 *Provident fund and employee benefits***

### ***3.8.1 Provident fund***

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution to the provident fund were recorded as expenses in statements of comprehensive income in the period as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

## *3.8.2 Employee benefit*

The Company provide for post employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method under assumption relating to future events appropriately defined by the Company. The assumption used in determining net employee benefit of the year include the discount rate, salary increasing rate and employee turnover rate. Changing in these rate has impact to expenses relating to net employee benefit of the year. The Company has review the appropriate discount rate that reflect interest rate used in calculation net present value of future cash flow payment for employee. In determining appropriate discount rate, the Company considers the market yield based on Thai government bond with currency benefit used.

## **3.9 Provisions**

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

## **3.10 Treasury stocks**

The consideration paid which is directly related with buying back ordinary share of the Company, including any attributable incremental external costs net of income taxes, is deducted from total shareholders' equity as treasury shares until the treasury shares are cancelled. If such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

## **3.11 Revenue**

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts.

### *Sale of goods together with rendering of services*

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

# NOTES TO THE FINANCIAL STATEMENTS

Revenue from service is recognized when service is completely rendered.

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Interest income is recognised in profit or loss as it accrues.

Other income is recognized on an accrual basis.

## **3.12 Finance costs**

Finance costs comprise interest expense on borrowings and unwinding of discount on provisions and contingent consideration.

## **3.13 Income tax**

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

### *Current income tax*

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

### *Deferred tax*

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period. The Company 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 Company and its subsidiaries 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 Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **3.14 Basic earnings per share**

Basic earnings per share is calculated by dividing the profit or loss of ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

# NOTES TO THE FINANCIAL STATEMENTS

## 4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

	<b>Name of entities</b>	<b>Transaction category</b>	<b>Nature of relationships</b>
1.	Surat Ready Mixed Co., Ltd.	Produces ready mixed concrete	Related company, some common directors and shareholders
2.	Thai Wire Products PCL.	Produces and distributes prestressed concrete wire	Related company, some common shareholders
3.	Nganthavee Service Co., Ltd.	Retail services for oil and consumer products	Related company, some common directors and shareholders
4.	Chinteik Brothers Trading	Land for rent	Related company, some common directors and shareholders
5.	Haadyai Tin Dredging Co.,Ltd.	Tin Mines	Related company, some common directors and shareholders
6.	Thai Palm Development Co., Ltd.	Produces and distributes plam oil	Related company, some common directors and shareholders
7.	Mr. Thada Nganthavee	Land for rent	Closed relatives of Nganthavee' family Land lease was terminated in August 2020 and The Company purchased such land in September 2020.

# NOTES TO THE FINANCIAL STATEMENTS

The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Revenue from sales of goods	Price comparable with selling price sold to external person
Purchase of raw material and other materials	Price comparable with purchasing price bought from external person
Hammering expense	Price comparable with purchasing price bought from external person
Rental expense	Agreed price, close to the normal market rate
Repair and maintenance	Agreed price, close to the normal market rate
Remunerations for directors and key management personnel representing salary, bonus, meeting allowance and others	The amounts are obtained the approval from the Company's directors and shareholders
Depreciation right-of-use assets (land and building)	Amortized by straight-line method
Interest expenses under lease liabilities	Amortized by effective interest rate
Purchasing land	At the price close to the assessment price

4.1 Significant transactions with related parties for the years ended December 31, 2020 and 2019 were summarized as follows:

	2020	2019
	<i>(in Baht)</i>	
<b>Revenue</b>		
Revenue from sales of goods	1,123,844	1,578,828
<b>Expenses</b>		
Purchase of raw material and other materials	94,369,324	128,041,249
Hammering expense	21,465,745	30,297,354
Rental expenses	1,288,316	4,812,316
Repair expense	128,520	397,190
Depreciation right-if –use assets	2,117,469	-
Interest expense on lease liabilities	1,129,392	-
Purchase of land	58,000,000	-



# NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
	<i>(in Baht)</i>	
<b>Key management personnel</b>		
Key management personnel's remunerations		
Short-term benefits	30,397,837	30,811,365
Post-employment benefit	809,480	3,203,286
<b>Total key management personnel's remunerations</b>	<b>31,207,317</b>	<b>34,014,651</b>

4.2 Balance as at December 31, 2020 and 2019 with related parties were as follows:

	2020	2019
	<i>(in Baht)</i>	
<b>Other current receivables</b>		
Surat Ready Mixed Co., Ltd.	138,856	308,571
<b>Total</b>	<b>138,856</b>	<b>308,571</b>
<b>Other non-current financial assets</b>		
<b>Marketable equity securities</b>		
Thai Wire Products PCL.	54,490,510	-
<b>Total</b>	<b>54,490,510</b>	<b>-</b>
<b>Other long-term investments</b>		
Thai Wire Products PCL.	-	58,267,080
<b>Total</b>	<b>-</b>	<b>58,267,080</b>
<b>Trade accounts payable</b>		
Thai Wire Products PCL.	22,180,267	31,850,864
Nganthavee Service Co., Ltd.	17,370	18,124
Surat Ready Mixed Co., Ltd.	-	6,389
<b>Total</b>	<b>22,197,637</b>	<b>31,875,377</b>
<b>Other current payables – accrued expenses</b>		
Surat Ready Mixed Co., Ltd.	2,074,601	2,918,840
<b>Total</b>	<b>2,074,601</b>	<b>2,918,840</b>

# NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
	<i>(in Baht)</i>	
<b><i>Lease liabilities</i></b>		
Chinteik Brothers Trading Co., Ltd.	23,680,552	-
Thai Palm Development Co., Ltd.	904,047	-
<b>Total</b>	<b>24,584,599</b>	<b>-</b>

## 4.3 The commitments with related parties

As at December 31, 2020 and 2019, the Company had non-cancellable operating lease commitment as follows:

	2020	2019
	<i>(in Baht)</i>	
Within 1 year	540,000	3,460,000
More than 1 year but within 3 years	540,000	5,880,000
<b>Total</b>	<b>1,080,000</b>	<b>9,340,000</b>

## ***Significant agreements with related parties***

The Company agreed to rent a plot of land without the rental agreement with Haad Yai Tin Dradging Co., Ltd. for period from January 1, 2020 to December 31, 2022 with monthly rental of Baht 45,000.

## 5 Cash and Cash equivalents

	2020	2019
	<i>(in Baht)</i>	
Cash on hand	335,000	315,000
Cash at banks – current accounts	72,091,800	90,957,356
Cash at banks – savings accounts	190,643,505	243,723,622
Cash at banks – fixed accounts	-	70,745,754
<b>Total</b>	<b>263,070,305</b>	<b>405,741,732</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 6 Trade accounts receivable and other current receivables

	2020	2019
	<i>(in Baht)</i>	
<b>Trade accounts receivable</b>		
Other parties	439,522,973	473,719,451
<b>Total</b>	<u>439,522,973</u>	<u>473,719,451</u>
Less Allowance for expected credit losses (2019: allowance for doubtful account)	(49,465,936)	(47,706,608)
<b>Trade accounts receivable - net</b>	<u><b>390,057,037</b></u>	<u><b>426,012,843</b></u>
<b>Other current receivables</b>		
Related parties	138,856	308,571
Other parties	10,500,236	15,353,259
<b>Other current receivables - net</b>	<u>10,639,092</u>	<u>15,661,830</u>
<b>Total trade accounts receivable and other current receivables</b>	<u><b>400,696,129</b></u>	<u><b>441,674,673</b></u>

Aging of trade accounts receivable are as follows.

	2020	2019
	<i>(in Baht)</i>	
Within credit terms	172,871,548	256,906,532
Overdue 1 – 90 days	136,394,281	138,434,659
Overdue 91 – 180 days	46,163,051	20,395,788
Overdue 181 – 365 days	39,199,207	12,342,364
Overdue more than 365 days	44,894,886	45,640,108
<b>Total</b>	<u><b>439,522,973</b></u>	<u><b>473,719,451</b></u>

# NOTES TO THE FINANCIAL STATEMENTS

Allowance for expected credit losses (2019: allowance for doubtful accounts) changes during the year as follows.

	2020	2019
	<i>(in Baht)</i>	
Beginning	47,706,608	60,186,790
Addition		
- Trade accounts receivable	3,814,914	5,742,682
Decrease		
- Reversal of allowance for expected credit losses (2019: Reversal of allowance for doubtful accounts)	(2,055,586)	(2,015,373)
- Written - off	-	(16,207,491)
<b>Total</b>	<b>49,465,936</b>	<b>47,706,608</b>

## 7 Inventories

	2020	2019
	<i>(in Baht)</i>	
Finished Goods	130,552,272	125,638,589
Work in process	366,736	444,233
Raw materials	85,660,641	86,329,673
Spare parts and supplies	15,697,484	14,866,118
<b>Total</b>	<b>232,277,133</b>	<b>227,278,613</b>
<i>Less allowance for obsolete stock</i>	<i>(18,622,510)</i>	<i>(15,820,455)</i>
<b>Net</b>	<b>213,654,623</b>	<b>211,458,158</b>
<b>Loss from obsolete stock</b>	<b>2,802,055</b>	<b>2,626,092</b>

# NOTES TO THE FINANCIAL STATEMENTS

Cost of inventories for the years ended December 31, 2020 and 2019 are recorded as expenses in cost of sales as follows:

	2020	2019
	<i>(in Baht)</i>	
Cost of sales	886,767,980	1,047,824,587
Loss from obsolete stock	2,802,055	2,626,092
<b>Net</b>	<b>889,570,035</b>	<b>1,050,450,679</b>

Allowance for obsolete stock is changed during the year as follows:

	2020	2019
	<i>(in Baht)</i>	
Beginning balance	15,820,455	13,194,363
Increase	2,802,055	2,626,092
Decrease	-	-
<b>Ending balance</b>	<b>18,622,510</b>	<b>15,820,455</b>

For the year ended December 31, 2020 and 2019, the Company has additionally provided allowance for obsolete Baht 2.80 million and Baht 2.63 million, respectively for non-moving stock more than 1 year.

## 8 Other current financial assets

As at December 31, 2020, other current financial assets consisted of the following:

	<i>(in Baht)</i>		
	Fair value through Profit and loss	Amortized cost	Total
Fixed deposits	-	450,001,001	450,001,001
Investment in opened - End fund			
Bualuang Treasury Fund	284,128,910	-	284,128,910
Bualuang Top-Ten Fund	8,304,657	-	8,304,657
<b>Total</b>	<b>292,433,567</b>	<b>450,001,001</b>	<b>742,434,568</b>

As at December 31, 2020, the Company had other current financial assets represent fixed deposits for the periods of 12 months, interest the rates of 0.25 - 1.05% per annum.

# NOTES TO THE FINANCIAL STATEMENTS

## 9 Other non-current financial assets

As at December 31, 2020, other non-current financial assets consisted of the following:

	<i>(in Baht)</i>		
	Fair value through comprehensive income	Amortized cost	Total
<b>Marketable equity securities</b>	54,490,510	-	54,490,510
<b>Debenture – Held to maturity</b>	-	20,000,000	20,000,000
<b>Total</b>	<b>54,490,510</b>	<b>20,000,000</b>	<b>74,490,510</b>
Unrealized gains (losses) from change in value of investment for the period			
recognized in statement of comprehensive income			(3,776,570)
Less Deferred tax			755,314
<b>Value of investment for the period recognized directly in equity</b>			<b>(3,021,256)</b>

As at December 31, 2020, the Company has investment in debenture of other company maturity in 3 years redemption due in 2021 bearing fixed interest rate 3.70% per annum.

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Property, plant and equipments

	Land and land improvement	Buildings and structures	Building improvement	Prestressed equipment	Machinery and equipment	Machinery and equipment for piling	Mold	Furniture fixtures and equipment	Vehicles	Construction in progress	Total
	<i>(in Baht)</i>										
<b>Assets – Cost</b>											
As at December 31, 2018	168,958,571	295,129,439	254,867	104,938,546	270,916,028	266,581,466	262,474,274	18,620,128	204,342,983	11,714,095	1,603,930,397
Acquisition	-	-	-	-	2,172,875	4,067,547	1,068,057	2,270,775	78,400	68,368,742	78,026,396
Transfer in (out)	-	646,686	-	1,531,870	11,769,416	28,652,614	17,576,151	1,657	563,171	(60,741,565)	-
Dispose/Write off	-	-	-	-	(3,287,764)	(152,376)	(173,380)	(712,090)	(1,615,059)	-	(5,940,669)
As at December 31, 2019	168,958,571	295,776,125	254,867	106,470,416	281,570,555	299,149,251	280,945,102	20,180,470	203,369,495	19,341,272	1,676,016,124
Acquisition	59,114,457	-	-	-	8,717,420	430,675	166,400	1,732,734	865,800	14,354,569	85,382,055
Transfer in (out)	-	13,455,631	-	2,042,744	1,786,282	538,984	9,097,723	(289,205)	262,412	(26,894,571)	-
Adjustment entry right-of-use-assets from initial adoption TFRS 16	-	(21,469,576)	-	-	-	-	-	-	(15,094,626)	-	(36,564,202)
Transfer of lease assets that have been fully paid	-	-	-	-	-	-	-	-	3,082,000	-	3,082,000
Dispose/Write off	-	(9,222)	-	-	(1,284,403)	(156,434)	(419,153)	(1,290,350)	(18,590)	-	(3,178,152)
As at December 31, 2020	228,073,028	287,752,958	254,867	108,513,160	290,789,854	299,962,476	289,790,072	20,333,649	192,466,491	6,801,270	1,724,737,825

# NOTES TO THE FINANCIAL STATEMENTS

## Accumulated depreciation

	Land and land improvement	Buildings and structures	Building improvement	Prestressed equipment	Machinery and equipment	Machinery and equipment for piling	Mold	Furniture fixtures and equipment	Vehicles	Construction in progress	Total
	<i>(in Baht)</i>										
As at December 31, 2018	14,875,267	154,486,207	254,861	82,103,643	209,742,433	183,062,883	174,790,546	15,652,006	161,414,251	-	996,382,097
Depreciation for the year	1,080,056	7,570,091	-	2,011,247	13,397,379	17,346,144	24,489,003	1,563,338	7,929,299	-	75,386,557
Transfer in (out)	-	-	-	-	-	-	-	-	-	-	-
Disposal/Write off	-	-	-	-	(2,921,341)	(113,732)	(34,418)	(677,857)	(1,615,048)	-	(5,362,396)
As at December 31, 2019	15,955,323	162,056,298	254,861	84,114,890	220,218,471	200,295,295	199,245,131	16,537,487	167,728,502	-	1,066,406,258
Depreciation for the year	1,155,192	8,058,709	-	1,982,034	14,929,716	14,300,530	26,252,711	1,935,683	3,823,412	-	72,437,987
Transfer in (out)	-	-	-	-	249,199	45,099	(26,697)	(267,601)	-	-	-
Adjustment entry right-of-use-assets from initial adoption TFRS 16	-	(16,772,864)	-	-	-	-	-	-	(9,350,159)	-	(26,123,023)
Transfer of lease assets that have been fully paid	-	-	-	-	-	-	-	-	2,473,219	-	2,473,219
Disposal/Write off	-	(6)	-	-	(1,167,250)	(143,147)	(419,404)	(1,282,817)	(18,598)	-	(3,031,222)
As at December 31, 2020	17,110,515	153,342,137	254,861	86,096,924	234,230,136	214,497,777	225,051,741	16,922,752	164,656,376	-	1,112,163,219



# NOTES TO THE FINANCIAL STATEMENTS

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# NOTES TO THE FINANCIAL STATEMENTS

Depreciation for the year was included in

	2020	2019
	<i>(in Baht)</i>	
Cost of sales of goods	47,964,423	43,898,997
Cost of rendering of services	15,725,916	20,398,197
Administrative expenses	8,747,648	11,089,363
<b>Total</b>	<b>72,437,987</b>	<b>75,386,557</b>

The gross amount of the Company's fully depreciated building and equipment that was still in use as at December 31, 2020 and 2019 amounted to Baht 968.25 million and Baht 875.94 million, respectively.

As at December 31, 2019, the Company has vehicles and machinery and equipment for piling at net book value in amount of Baht 5 million with commitments to pay liabilities under finance leases.

## *Guarantee*

As at December 31, 2020 and 2019, the Company's land with structures and certain machinery with book value of Baht 226 million and Baht 231 million, respectively were registered to mortgage as collateral disclosed in note to financial statements Note.28.

## **11 Leases**

The Company has lease contracts related to office building, land and vehicle rental for operation. Land lease contract lease 3 years ended date November 1, 2023. The Company estimates it reasonably to exercise the option to renew the contract for another 5 years ended November 1, 2028.

# NOTES TO THE FINANCIAL STATEMENTS

## 11.1 Right-of-use assets

The movements of right-of-use assets for the year ended December 31, 2020 are presented below.

	Leasehold land and building	Building and improvement	Vehicle	Total
	(in Baht)			
<b>Assets – Cost</b>				
As at January 1, 2020 - changes from adoption of new financial reporting standards	26,505,396	21,469,576	15,094,626	63,069,598
Additions	-	-	654,000	654,000
Transfer the fully paid lease assets to property, plant and equipment.	-	-	(3,082,000)	(3,082,000)
Disposals	-	-	(919,000)	(919,000)
As at December 31, 2020	<b>26,505,396</b>	<b>21,469,576</b>	<b>11,747,626</b>	<b>59,722,598</b>
<b>Accumulated depreciation</b>				
As at January 1, 2020 - changes from adoption of new financial reporting standards	-	16,772,864	9,350,159	26,123,023
Depreciation for the year	2,945,044	29,293	1,953,664	4,928,001
Transfer the fully paid lease assets to property, plant and equipment.	-	-	(2,473,219)	(2,473,219)
Disposals	-	-	(583,026)	(583,026)
As at December 31, 2020	<b>2,945,044</b>	<b>16,802,157</b>	<b>8,247,578</b>	<b>27,994,779</b>

# NOTES TO THE FINANCIAL STATEMENTS

	Leasehold land and building	Building and improvement	Vehicle	Total
	<i>(in Baht)</i>			
<b>Allowance for impairment</b>				
As at January 1, 2020 – Changing arising from adoption new financial reporting standards	-	2,067,231	-	2,067,231
Increase (Decrease)	-	-	-	-
As at December 31, 2020	-	<b>2,067,231</b>	-	<b>2,067,231</b>
<b>Right-of-use assets net</b>				
As at December 31, 2020	<b>23,560,352</b>	<b>2,600,188</b>	<b>3,500,048</b>	<b>29,660,588</b>
As at January 1, 2020	-	-	-	-
Depreciation for the year ended December 31, 2020 *				<b>4,100,426</b>

\* Depreciation for the year is the amount less discount from selecting temporary relief measure.

## 11.2 Lease liabilities

Movement of lease liabilities for the year ended December 31, 2020 are as follows.

	<i>(in Baht)</i>
The amount to be paid under lease contract	35,889,580
Less Deferred interest expenses	<u>(7,059,444)</u>
<b>Total</b>	<b>28,830,136</b>
Less Current portion of lease liabilities	<u>(4,488,069)</u>
<b>Net</b>	<b>24,342,067</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 11.3 Expenses relating to lease contract recognized in profit or loss

Expenses for the year ended December 31, 2020 relating to lease contract recognized in profit or loss

	<i>(in Baht)</i>
Depreciation of right-of-use assets	4,100,426
Interest paid from lease liabilities	1,392,118
Expenses relating to operating lease	1,288,316
<b>Total</b>	<b><u>6,780,860</u></b>

The Company has entered into the land, building and vehicle lease agreements for use in their operation. The terms of the agreements is extended every 3 years and term of agreement will be assessed in 2028 and for vehicle lease agreement will be ended in 2024.

	<i>(in Baht)</i>			
	December 31, 2020			
	Less than 1 year	1 – 5 years	Over 5 years	Total
Future minimum lease payments	6,085,254	17,038,826	12,765,500	35,889,580
Deferred interest expenses	<u>(1,597,185)</u>	<u>(4,328,841)</u>	<u>(1,133,418)</u>	<u>(7,059,444)</u>
Present value of future minimum lease payment	<u>4,488,069</u>	<u>12,709,985</u>	<u>11,632,082</u>	<u>28,830,136</u>

## 12 Other non-current assets

	2020	2019
	<i>(in Baht)</i>	
Deposit	5,484,562	1,797,748
Property foreclosed	6,913,969	6,913,969
Less allowance for impairment	<u>(2,430,969)</u>	<u>(2,430,969)</u>
<b>Net</b>	<b><u>9,967,562</u></b>	<b><u>6,280,748</u></b>

# NOTES TO THE FINANCIAL STATEMENTS

## 13 Trade accounts payable and other current payables

	2020	2019
	<i>(in Baht)</i>	
<b>Trade accounts payable</b>		
Related parties	22,197,637	31,875,377
Other parties	94,937,107	114,096,849
<b>Total trade accounts payable</b>	<b>117,134,744</b>	<b>145,972,226</b>
<b>Other current payables</b>		
Related parties		
Accrued expenses	2,074,601	2,918,840
Other parties		
Accrued expenses	66,061,960	66,110,180
Deposit from customer	35,054,894	33,393,411
Revenue Department payable	1,887,301	5,250,277
Other payables	1,157,057	1,472,288
<b>Total other current payables</b>	<b>106,235,813</b>	<b>109,144,996</b>
<b>Total trade accounts payable and other current payables</b>	<b>223,370,557</b>	<b>255,117,222</b>

## 14 Deferred tax

Deferred tax assets and liabilities as at December 31, 2020 and 2019 were as follows:

	2020	2019
	<i>(in Baht)</i>	
Deferred tax assets	14,841,537	13,959,064
Deferred tax liabilities	(7,807,415)	(4,329,127)
<b>Net</b>	<b>7,034,122</b>	<b>9,629,937</b>

# NOTES TO THE FINANCIAL STATEMENTS

Movements in total deferred tax assets and liabilities during the year 2020 and 2019 were as follows:

	Recognized as (expenses) revenues in			
	January 1, 2020	Profit or loss	Other Comprehensive income (in Baht)	December 31, 2020
<i>Deferred tax assets</i>				
Inventory	1,202,355	212,956	-	1,415,311
Other non-current financial assets	1,521,851	-	755,314	2,277,165
Lease liabilities	69,395	79,703	-	149,098
Non-current provisions for employee benefits	11,165,463	(468,887)	-	10,696,576
Assets/liabilities under lease agreement	-	303,387	-	303,387
<b>Total</b>	<b>13,959,064</b>	<b>127,159</b>	<b>755,314</b>	<b>14,841,537</b>
<i>Deferred tax liabilities</i>				
Other current financial assets	(75,466)	(42,017)	-	(117,483)
Property, plant and equipments	(4,253,661)	(3,436,271)	-	(7,689,932)
<b>Total</b>	<b>(4,329,127)</b>	<b>(3,478,288)</b>	<b>-</b>	<b>(7,807,415)</b>
<b>Net</b>	<b>9,629,937</b>	<b>(3,351,129)</b>	<b>755,314</b>	<b>7,034,122</b>

# NOTES TO THE FINANCIAL STATEMENTS

	Recognized as (expenses) revenues in			
	January 1, 2019	Profit or loss	Other Comprehensive income	December 31, 2019
	<i>(in Baht)</i>			
<i>Deferred tax assets</i>				
Inventory	1,002,772	199,583	-	1,202,355
Other long-term investment	-	-	1,521,851	1,521,851
Lease liabilities	-	69,395	-	69,395
Non-current provisions for employee benefits	11,612,017	3,460,483	(3,907,037)	11,165,463
Total	12,614,789	3,729,461	(2,385,186)	13,959,064
<i>Deferred tax liabilities</i>				
Temporary investment in trading securities	(67,339)	(8,127)	-	(75,466)
Other long-term investment	(7,865,623)	-	7,865,623	-
Property, plant and equipments	(4,083,647)	(170,014)	-	(4,253,661)
Lease liabilities	(375,150)	375,150	-	-
Total	(12,391,759)	197,009	7,865,623	(4,329,127)
<b>Net</b>	<b>223,030</b>	<b>3,926,470</b>	<b>5,480,437</b>	<b>9,629,937</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 15 Non-current provisions for employee benefits

The Company operates a post employment benefit based on the Company's policy and the requirement of Thai Labor Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market risk.

15.1 Movements in the present value of the defined benefit obligations for the year ended December 31, were as follows:

	2020	2019
	<i>(in Baht)</i>	
Defined benefit obligations at January 1,	55,827,315	58,060,089
Recognized in profit or loss		
Current service costs	3,919,853	4,596,657
Interest cost	1,345,448	1,228,844
Past service costs	-	12,463,363
Compensation to employees	(7,609,736)	(410,184)
Transfer to other current liabilities	-	(576,267)
Total	53,482,880	75,362,502
Recognized in other comprehensive income		
Recognized in other comprehensive income actuarial gains	-	(19,535,187)
<b>Defined benefit obligation at December 31,</b>	<b>53,482,880</b>	<b>55,827,315</b>

The above expense is recognized in profit or loss for the years ended December 31, 2020 and 2019 included in the following line items:

	2020	2019
	<i>(in Baht)</i>	
Cost of sales	226,503	1,852,416
Cost of services	1,437,702	3,762,544
Selling expenses	345,677	992,023
Administrative expense	3,255,419	11,681,881
<b>Total</b>	<b>5,265,301</b>	<b>18,288,864</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 15.2 Principal actuarial assumptions at the reporting date (weighted average presented by method)

	2020	2019
		(%)
Discount rate	2.41	2.41
Future salary growth rate	3.00	3.00
Retirement (year)	60	60
Staff turnover rate	0 - 14	0 - 14

Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2017 (“TMO2017”).

## 15.3 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	2020	2019
	(in Baht)	
Defined benefit obligation		
Discount rate		
- Increase rate (1% movement)	(4,495,586)	(4,440,763)
- Decrease rate (1% movement)	5,164,651	5,103,862
Future salary growth		
- Increase rate (1% movement)	5,648,594	5,020,214
- Decrease rate (1% movement)	(4,987,894)	(4,457,424)
Mortality rate		
- Increase rate (1% movement)	313,102	308,782
- Decrease rate (1% movement)	(310,939)	(306,636)
Staff turnover rate		
- Increase rate (1% movement)	(4,714,994)	(4,658,280)
- Decrease rate (1% movement)	1,356,550	1,365,727

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

# NOTES TO THE FINANCIAL STATEMENTS

## 16 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

Legal reserve is already provided in full amount.

## 17 Treasury stocks

On March 13, 2020, the Company’s Board of Director Meeting has approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 98.55 million or approximately 15 million shares. The number of shares to be repurchased is approximately 5% of the total issued shares at the par value of Bath 1.00 per share. The repurchase period covers from March 31, 2020 to September 29, 2020.

Reconciliation of treasury stocks

	Number of shares	Average Price per share	Repurchase amount
	(shares)	(Baht)	(Baht)
Treasury stocks			
Repurchase during the year	9,000,000	5.91	53,210,626
Treasury stocks as at December 31, 2020	9,000,000	5.91	53,210,626

The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at December 31, 2020, the Company has set aside approximately Baht 53 million, with the Company recording the reserve as “Appropriated retained earnings-treasury stock reserve” in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

## 18 Dividend

The Board of Director meeting held on March 27, 2020, approved to pay interim dividend from profit for the year 2019 of Baht 0.40 per share, of 300 million shares, totaling Baht 120 million and dividend was paid on April 27, 2020 and the ordinary meeting of shareholders was held on July 21, 2020 in order to notify such dividend to shareholders.

The Ordinary Meeting of Shareholders held on April 29, 2019, approved to pay dividend from profit for the year 2018 of Baht 0.50 per share, of 300 million shares, totaling Baht 150 million, were paid on May 29, 2019.

## 19 Employee benefit expenses

	2020	2019
	<i>(in Baht)</i>	
<b><i>Management</i></b>		
Salaries and bonuses	28,152,167	28,460,849
Others	809,480	3,203,286
	<u>28,961,647</u>	<u>31,664,135</u>
<b><i>Other employees</i></b>		
Salaries and bonuses	206,990,299	218,019,809
Others	89,785,278	123,365,715
	<u>296,775,577</u>	<u>341,385,524</u>
<b>Total</b>	<b><u>325,737,224</u></b>	<b><u>373,049,659</u></b>

Partial employee benefit expenses were included in cost of sale.

### ***Defined contribution plans***

The defined contribution plan comprises provident funds established by the Company for its employees. Membership to the funds is on voluntary basis. Contributions are made monthly by the employees at rate of 2%-5% of their basic salaries and by the Company at rate of 2%-5% of the employees' basic salaries. The provident funds are registered with the Ministry of Financial as juristic entities and are managed by a licensed Fund Manager.

# NOTES TO THE FINANCIAL STATEMENTS

## 20 Expenses by nature

The statements of comprehensive income included an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	2020	2019
	<i>(in Baht)</i>	
Change in inventories of finished goods and work in process	(1,468,734)	4,456,827
Raw materials and supplies used	743,288,605	895,312,323
Employee benefit expense	325,737,224	373,049,659
Directors remunerations	31,207,317	34,014,651
Depreciation	76,538,413	75,386,557
Advice and manage	17,129,444	11,357,744
Transportation	39,946,721	43,642,553
Piling prestressed concrete	77,874,238	102,671,154
Expected credit losses (2019 : Doubtful accounts)	3,814,914	5,742,682

## 21 Income tax expense (income)

Income tax expenses for years ended December 31, 2020 and 2019 recognized in profit or loss were summarized as follows:

### 21.1 Current income tax expenses (income)

	2020	2019
	<i>(in Baht)</i>	
Income tax expenses	55,217,246	65,586,700

### Deferred tax expense (income)

Deferred tax expense (income) concern deductible

temporary difference with initial recognized and reversed	3,351,129	(3,926,470)
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### Income tax expense represented in the profit or loss

<b>58,568,375</b>	<b>61,660,230</b>
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# NOTES TO THE FINANCIAL STATEMENTS

21.2 Income tax recognized in other comprehensive income or loss for the years ended December 31, 2020 and 2019 are as following.

	2020			2019		
	Earnings before income tax	Revenue Income tax (Expenses)	Net income tax	Earnings before income tax	Revenue Income tax (Expenses)	Net income tax
	<i>(in Baht)</i>					
Net change in fair value of financial assets (2019 : available-for-sale investments)	(3,776,570)	755,314	(3,021,256)	(46,937,370)	9,387,474	(37,549,896)
Actuarial gains (losses)	-	-	-	19,535,187	(3,907,037)	15,628,150
<b>Total</b>	<b>(3,776,570)</b>	<b>755,314</b>	<b>(3,021,256)</b>	<b>(27,402,183)</b>	<b>5,480,437</b>	<b>(21,921,746)</b>

21.3 Reconciliation of effective tax rate

	2020	2019
	<i>(in million Baht)</i>	
Profit before income tax expense	274	305
Corporate income tax rate	20%	20%
Income tax using the Thai corporation tax rate	55	61
Income not subject to tax	-	-
Expenses not deductible for tax purposes	1	5
Effect from revenue recognition in different period between accounting and taxation method.	3	(4)
Income tax expenses reported in the profit or loss	59	62
Effective income tax rate	21%	20%

## 22 Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2020 and 2019 was based on the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of shares issuing during the year as follows:

# NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
	<i>(in Baht/Share)</i>	
Profit for the year attributable to ordinary shareholders		
of the Company (basic)	215,638,326	243,837,088
Weighted average number of ordinary shares outstanding	296,496,548	300,000,000
<b>Basic earnings per share</b>	<b>0.73</b>	<b>0.81</b>

## 23 Segment information

### *Business segment*

Management considers that the Company operates in a single line of business, namely prestressed concrete products involving manufacturing, sales, service and installation, and has, therefore, only one reportable segment.

### *Geographical segments*

The Company is managed and operates principally in Thailand. There are no revenues derived from, or assets located in, foreign countries.

## 24 Risk management

### *Financial risk management policies*

The Company has risk from volatile in financial assets and financial liabilities as in normal business and has risk management policies as follows.

#### *24.1 Interest rate risk*

The Company has interest rate risk relating to deposit at banks, lease liabilities financial assets and financial liabilities of the company. Interest rate is fluctuated by market rate and fixed interest rate is close to market rate.

#### *24.2 Credit risk*

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

# NOTES TO THE FINANCIAL STATEMENTS

## ***Trade accounts receivable and other current receivables***

The Company 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. The Company does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision for expected credit losses rates are based on days past due . The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade accounts receivable and other current receivables are written-off in accordance with the Company's policy.

## ***Financial instruments and cash deposits***

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate risk through a counterparty's potential failure to make payments

### **24.3 Market risk**

#### ***Interest rate risk***

The Company has interest rate risk relating to deposit at banks , lease liabilities financial assets and financial liabilities of the company. Interest rate is fluctuated by market rate and fixed interest rate is close to market rate.

### **24.4 Equity and debt securities risk**

The Company has risk from market price of securities measured at fair value which may cause in material changing in of investment. However, net risk in securities may not much high due to investment measured at fair value in stock exchange

### **24.5 Liquidity risk**

As of December 31, 2020, the Company has 15.56% of the liabilities, which will mature within one year, based on the carrying value of borrowings reflected in the financial statements (2019: 59.95%). The Group has assessed the concentration of risk with respect to refinancing its debt and concluded the risk is low. Furthermore, the Group has access to a sufficient variety of sources of funding.



# NOTES TO THE FINANCIAL STATEMENTS

## **25 Classification and fair value measurement of financial instruments**

The Company uses the market price method to measure the fair value of assets and liabilities that are required by related financial reporting standards to measure at fair value. Except in the absence of a liquid market or unable to find the quoted price in the liquid market. Instead, the Company will use its estimates based on the net book value or the cost method or the income method to measure the fair value of such assets and liabilities.

### **25.1 Classification in fair value of financial instruments**

The carrying value and fair value of financial assets and financial liabilities as at December 31, 2020 and January 1, 2020 are as follows.

# NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2020

	Carrying value				Fair value
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	
			<i>(in Baht)</i>		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	263,070,305	263,070,305	263,070,305
Trade accounts receivable and other current receivable	-	-	400,696,129	400,696,129	400,696,129
Other current financial assets					
- Fixed deposits	-	-	450,001,001	450,001,001	450,001,001
- Investment in opened fund	292,433,567	-	-	292,433,567	292,433,567
Retention receivable	-	-	21,876,931	21,876,931	21,876,931
Other non-current financial assets					
- Marketable equity securities	-	54,490,510	-	54,490,510	54,490,510
- Debenture-Held to maturity	-	-	20,000,000	20,000,000	20,000,000
Restricted band deposit	-	-	23,373,372	23,373,372	23,373,372
<b>Total financial assets</b>	<b>292,433,567</b>	<b>54,490,510</b>	<b>1,179,017,738</b>	<b>1,525,941,815</b>	<b>1,525,941,815</b>
<b>Financial liabilities</b>					
Trade accounts payable and other current payables	-	-	223,370,557	223,370,557	223,370,557
Lease liabilities	-	-	28,830,136	28,830,136	28,830,136
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>252,200,693</b>	<b>252,200,693</b>	<b>252,200,693</b>

# NOTES TO THE FINANCIAL STATEMENTS

	As at January 1, 2020				
	Carrying value				Fair value
	Fair value through profit or loss	Fair value through other comprehens ive income	Amortised cost	Total	
	(in Baht)				
<b>Financial assets</b>					
Cash and cash equivalents	-	-	405,741,732	405,741,732	405,741,732
Trade accounts receivable and other current receivables	-	-	441,674,673	441,674,673	441,674,673
Other current financial assets					
- Fixed deposit	-	-	520,789,830	520,789,830	520,789,830
- Investment in opened fund	50,757,626	-	-	50,757,626	50,757,626
Retention receivable	-	-	25,820,494	25,820,494	25,820,494
Other non-current financial assets					
- Marketable equity securities	-	58,267,080	-	58,267,080	58,267,080
- Debenture-Held to maturity	-	-	20,000,000	20,000,000	20,000,000
Restricted band deposit	-	-	23,252,747	23,252,747	23,252,747
<b>Total financial assets</b>	<b>50,757,626</b>	<b>58,267,080</b>	<b>1,437,279,476</b>	<b>1,546,304,182</b>	<b>1,546,304,182</b>
<b>Financial liabilities</b>					
Trade accounts payable and other current payables	-	-	255,117,222	255,117,222	255,117,222
Lease liabilities	-	-	6,091,441	6,091,441	6,091,441
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>261,208,663</b>	<b>261,208,663</b>	<b>261,208,663</b>

## 25.2 Fair value measurement of financial instruments

Since partial of financial assets and financial liabilities are classified as short-term or bearing interest rate close to market interest rate and loan in Baht currency having fluctuated interest rate at market rate. The Management, therefore, has estimated fair value of financial assets and financial liabilities closing to book value presented in statement of financial position

# NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2020 and January 1, 2020, the Company has financial assets and financial liabilities measured at fair value presented each level of fair value as follows,

(Unit : Million Baht)

	December 31, 2020				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Investment in opened fund	292	292	-	-	292
Marketable equity securities	54	54	-	-	54
Debenture-Held to maturity	20	-	20	-	20
	<u>366</u>	<u>346</u>	<u>20</u>	<u>-</u>	<u>366</u>

(Unit : Million Baht)

	January 1, 2020				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Investment in opened fund	50	50	-	-	50
Marketable equity securities	58	58	-	-	58
Debenture-Held to maturity	20	-	20	-	20
	<u>128</u>	<u>108</u>	<u>20</u>	<u>-</u>	<u>128</u>

## 26 Capital management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission. The Company specifies the scope of transactions. Thus, the risk management is assigned to be responsible for closely monitoring NCR figures. During the year, the Company can maintain net capital ratio in accordance with the rules.

# NOTES TO THE FINANCIAL STATEMENTS

## 27 Commitments with non-related parties

	2020	2019
	<i>(in Million Baht)</i>	
<b><i>Non-cancellable operating lease commitment</i></b>		
Within 1 year	1	1
Over 1 year within 3 years	-	-
<b>Total non-cancellable operating lease commitment</b>	<b>1</b>	<b>1</b>
<b><i>Other commitments</i></b>		
Letters of guarantee issued by banks	123	137
Purchase goods and services	9	1
<b>Total other commitments</b>	<b>132</b>	<b>138</b>
<b>Total commitments with non - related parties</b>	<b>133</b>	<b>139</b>

### ***Significant agreements with non-related parties***

The Company has made non-cancellable operating lease agreement for security fee and xerox machine ended in 2023.

## 28 Pledged assets

As at December 31, 2020 and 2019, the Company's fixed deposits at bank for 3 months and 12 months of Baht 23 million have been used as collateral for issuing the letters of guarantee from 3 domestic commercial banks and bank overdrafts.

As at December 31, 2020 and 2019, the Company's land with structures and certain machinery with book value of Baht 226 million and Baht 231 million, respectively including rights to insurance claims of those assets have been mortgaged as collateral for bank overdrafts and letter of guarantee from three domestic commercial banks with total credit line amounting to Baht 280 million.

## 29 Events after the reporting period

On February 25, 2021, the Board of Director meeting passed resolution to propose the Ordinary Shareholder meeting for approval the dividend for the year 2020 by the rate of Baht 0.38 per share, totally Baht 111 million. Such approval depends on the Ordinary Shareholder meeting on April 23, 2021.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

The effects on beginning retained earnings of the year 2020 from changes in accounting policies due to the adoption of new financial reporting standards are as follows.

(in Baht)

		Effect from		
		TFRS group of		
		financial		
	December 31, 2019	instruments	TFRS 16	January 1, 2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Temporary investment	571,547,456	(571,547,456)	-	-
Current financial assets	-	571,547,456	-	571,547,456
<b>Non-current assets</b>				
Non-current financial assets	-	78,267,080	-	78,267,080
Other long-term investment	78,267,080	(78,267,080)	-	-
Property, plant and equipments	606,272,062	-	(8,373,947)	597,898,115
Right-of-use assets	-	-	34,879,343	34,879,343
<b>Liabilities &amp; shareholders' equity</b>				
<b>Current liabilities</b>				
Current portion of financial leases	3,652,219	-	(3,652,219)	-
Current portion of lease liabilities	-	-	3,652,219	3,652,219
<b>Non-current liabilities</b>				
Financial lease liabilities	2,439,222	-	(2,439,222)	-
Lease liabilities	-	-	28,944,618	28,944,618

## NOTES TO THE FINANCIAL STATEMENTS

### 30.1 Financial reporting standards related to financial instruments

During the current period, the Company has adopted financial reporting standards related to financial instruments. The Company elects to adjust cumulative effect to retained earnings as at January 1, 2020. Therefore the comparative information was not restated.

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis.

(in Bhd)

Statement of financial position	Carrying amounts under the former basis previous	Classification and measurement in accordance with TFRS 9			Total
		Fair value through other profit or loss	Fair value through other Comprehensive income	Amortised cost	
<b>Assets</b>					
Cash and cash equivalents	405,741,732	-	-	405,741,732	405,741,732
Trade accounts receivable and other current receivable	441,674,673	-	-	441,674,673	441,674,673
Other current financial assets	571,547,456	50,757,626	-	520,789,830	571,547,456
Retention receivable	25,820,494	-	-	25,820,494	25,820,494
Other non-current financial assets	78,267,080	-	58,267,080	20,000,000	78,267,080
Restricted deposit at banks	23,252,747	-	-	23,252,747	23,252,747
<b>Total financial assets</b>	<b>1,546,304,182</b>	<b>50,757,626</b>	<b>58,267,080</b>	<b>1,437,279,476</b>	<b>1,546,304,182</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 30.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	<i>(in Baht)</i>
Operating lease commitments as at December 31, 2019	9,340,000
Add Adjustments commitment from renew lease contract	25,580,500
Less Deferred interest expenses	(8,415,104)
Right-of-use assets increasing due to TFRS 16 initial adoption	26,505,396
Financial leases liabilities as at December 31, 2019	6,091,441
Lease liabilities increasing due to TFRS 16 initial adoption	<b>32,596,837</b>

Adjustment entry right-of-use-assets from initial adoption TFRS 16 Transfer of lease assets that have been fully paid As at January 1, 2020 as follows:

	<i>(in Baht)</i>
Property, plant and equipments	10,441,178
allowance for impairment	(2,067,231)
<b>Total Leases</b>	<b>8,373,947</b>

## 31 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 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 that included in amendments to references to the Conceptual Framework in Financial Reporting Standards, Definition of a business, Definition of Material and Reform the referenced interest rate.

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





## Certification of information

Having carefully verified the information and data shown in this annual information display form, Southern Concrete Pile Public Co.,Ltd. certifies that they are completely accurate, factual, and not misleading or lacking in essential detail. In addition:

- (1) The financial statements and data summarized in the annual information display form show essentially accurate information and data about its financial standing, performance, and cash flow of the company and its subsidiaries.
- (2) It has put in place a good information and data disclosure system to ensure that it discloses essential details about itself and its subsidiaries completely and accurately, while ensuring due compliance.
- (3) It has put in place a good internal control system and ensured due compliance with such system. Southern Concrete Pile Public Co.,Ltd. has provided internal control system assessment details as of February 25, 2021, to the external auditor and the Audit Committee, including defects and key changes in the internal control system together with wrongdoing potentially affecting the preparation of the financial reports for itself and its subsidiaries.

As evidence that all documents are identical to those certified by Southern Concrete Pile Public Co.,Ltd., the company has assigned Mrs. Arunee Nganthavee to put her initials on every page of the documents. Therefore, if her initials are missing on any given page, Southern Concrete Pile Public Co.,Ltd., will disown such data.

Name		Position	Signature
1.	Mrs. Arunee Nganthavee	Managing Director	
2.	Mr. Thamrong Nganthavee	Director	
Authorized person Mrs. Arunee Nganthavee		Managing Director	

# Attachment 1

Details of Directors, Executives, Controlling Persons, those who assigned to the highest responsibility in Accounting and Finance, those who assigned to be directly responsible for accounting supervision, Company secretary.

## 1.1 Particulars of Directors:-

Name-Surname	Mr. Pongpayome Vasaputi	
Age (years)	73	
Nationality	Thai	
Company's Position	Chairman of the Board of Directors, Independent Director	
Date of Appointment	30 <sup>th</sup> April 2012	
Academic Qualifications		
<ul style="list-style-type: none"><li>Master of Development Administration (Honor), National Institute of Development Administration</li><li>Bachelor of Arts in Political Science (Honor), Chulalongkorn University</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>Role of The Chairman Program, Finance for Non Finance Director Program, Understanding the Fundamental of Financial Statements and Director Certification Program (DCP No.219/2016)</li></ul>		
Share-holding Ratio (%)	None	
Family Relationship between Directors and the Management	None	
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
2012 - Present	Chairman of the Board of Directors,	Southern Concrete Pile (Public) Co., Ltd.
	Independent Director	(Manufacturer and distributor of prestressed concrete products)
2012 - 2020	Chairman of the Audit Committee	Southern Concrete Pile (Public) Co., Ltd.
		(Manufacturer and distributor of prestressed concrete products)
2007 - 2008	Director, Chairman	EGAT
		Ratchaburi Electricity Generating Holding (Public) Co., Ltd.
2007 - 2008	Chairman	Provincial Electricity Authority (PEA)
2006 - 2008	Permanent Secretary	Ministry of Interior
2006	Deputy Permanent Secretary	Ministry of Interior

Name-Surname	Mr.Bonguea Limsuebchuea	
Age (years)	74	
Nationality	Thai	
Company's Position	Chairman of the Audit Committee, Independent Director	
Date of Appointment	24 <sup>th</sup> April 2000	
Academic Qualifications		
<ul style="list-style-type: none"><li>Master of Business Administration National Institute of Development Administration</li><li>Bachelor of Arts in Commerce and Accountancy Thammasat University</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>Director Accreditation Program (DAP) 64/2007</li></ul>		
Share-holding Ratio (%)	None	
Family Relationship between Directors and the Management	None	
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
2020 - Present	Chairman of the Audit Committee	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)
2000 - Present	Audit Committee, Independent Director	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)
1998 - Present	Managing Director	Accounting Data Management Co., Ltd.  (Providing consulting, personnel training and development and accounting services)

## Particulars of Directors:- (Continue)

Name-Surname			Mr. Tasanai Atichati
Age (years)			73
Nationality			Thai
Company's Position			Audit Committee, Independent Director
Date of Appointment			13 <sup>th</sup> Nov. 2007
Academic Qualifications			
• Bachelor of Arts, Chiang Mai University			
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)			
• None			
Share-holding Ratio (%)			None
Family Relationship between Directors and the Management			None
Work Experiences			
Periods	Positions	Name of Unit/Company/Business Type	
2007 - Present	Audit Committee, Independent Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)	
1998 - Present	Managing Director	Chlorophyll Co., Ltd.	

Name-Surname			Police Colonel Somyod Kaewbangkerd
Age (years)			61
Nationality			Thai
Company's Position			Audit Committee, Independent Director
Date of Appointment			21 <sup>st</sup> Jul. 2020
Academic Qualifications			
• Bachelor of Police Cadet Academy			
• Master of Public Administration, National Institute of Development Administration (NIDA)			
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)			
• None			
Share-holding Ratio (%)			None
Family Relationship between Directors and the Management			None
Work Experiences			
Periods	Positions	Name of Unit/Company/Business Type	
2020 - Present	Audit Committee, Independent Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)	

## Particulars of Directors:- (Continue)

Name-Surname		Mrs. Arunee Nganthavee
Age (years)	68	
Nationality	Thai	
Company's Position	Director (Authorized directors sign affixed the company according to the company certificate)	
Date of Appointment	1 <sup>st</sup> Sep. 1995	
Academic Qualifications		
<ul style="list-style-type: none"><li>Bachelor of Business Administration, University of Denver</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>Director Accreditation Program (DAP Group No.2/2003)</li></ul>		
Share-holding Ratio (%)	0.61	
Family Relationship between Directors and the Management		
<ul style="list-style-type: none"><li>Cousin of Directors No.6-8, Aunt of Director No.9, Sister of Executive No.1, Mother of Executive No.2.</li></ul>		
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
1995-Present	Managing Director	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)
Present	Director	Chinteik Brothers Company Limited  (Operating mines and rubber plantations)
1992 - 2020	Director	C.B. Estate Co.,Ltd.  (Operating Property Development)
1992 - 2020	Director	C.B. Property Co.,Ltd.  (Operating Property Development)

Name-Surname	Mr. Thamrong Nganthavee		
Age (years)	73		
Nationality	Thai		
Company's Position	Director (Authorized directors sign affixed the company according to the company certificate)		
Date of Appointment	1990		
Academic Qualifications			
<ul style="list-style-type: none"><li>Bachelor of Science in Mechanical Engineering, Australia</li></ul>			
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)			
<ul style="list-style-type: none"><li>None</li></ul>			
Share-holding Ratio (%)	0.34		
Family Relationship between Directors and the Management			
<ul style="list-style-type: none"><li>Cousin of Directors No.5, 7-8 and Executive No.1, Uncle of Director No.9 and Executive No.2.</li></ul>			
Work Experiences			
Periods	Positions	Name of Unit/Company/Business Type	
1998 - Present	Managing Director	Nganthavee Rubber Plantation Co., Ltd.  (Operating rubber plantations)	
1998 - Present	Managing Director	Chinteik Brothers Company Limited  (Operating mines and rubber plantations)	
1990 - Present	Director	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)	

## Particulars of Directors:- (Continue)

Name-Surname		Mr. Suckchai Nganthavee
Age (years)	70	
Nationality	Thai	
Company's Position	Director (Authorized directors sign affixed the company according to the company certificate)	
Date of Appointment	13 <sup>th</sup> May 1994	
Academic Qualifications		
<ul style="list-style-type: none"><li>Bachelor of Science in Urban PlanningUniversity of Wisconsin-Green Bay</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>None</li></ul>		
Share-holding Ratio (%)	None	
Family Relationship between Directors and the Management		
<ul style="list-style-type: none"><li>Cousin of Directors No.5-6, 8 and Executive No.1, Uncle of Director No.9 and Executive No.2.</li></ul>		
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
1998 - Present	Director	Chinteik Brothers Company Limited  (Operating mines and rubber plantations)
1994 - Present	Director	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)

Name-Surname	Mr. Kitja Nganthavee	
Age (years)	63	
Nationality	Thai	
Company's Position	Director (Authorized directors sign affixed the company according to the company certificate)	
Date of Appointment	1990	
Academic Qualifications		
<ul style="list-style-type: none"><li>Bachelor of Laws, Thammasat University</li><li>Barrister-at-Law (Thai Bar), University College of Wales Aberystwyth, LLB,</li><li>Barrister-at-Law, Grey's Inn,</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>Directors Certification Program (DCP) No.26/2003</li><li>Finance For Non Finance Director (FND) No.4/2003</li></ul>		
Share-holding Ratio (%)	0.40	
Family Relationship between Directors and the Management		
<ul style="list-style-type: none"><li>Cousin of Directors No.5-7 and Executive No.1, Uncle of Director No.9 and Executive No.2.</li></ul>		
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
2004 - Present	Director	Chinteik Brothers Company Limited  (Operating mines and rubber plantations)
1999 - 2004	Director and Audit Committee	ABN AMRO Securities (Public) Co., Ltd.
1990 - Present	Director	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)
1987 - 2003	Lawyer and Partner	International Legal Counselors Thailand Co.,Ltd.

## Particulars of Directors:- (Continue)

<b>Name-Surname</b>	Mr. Akapop Nganthavee	
<b>Age (years)</b>	33	
<b>Nationality</b>	Thai	
<b>Company's Position</b>	Director (Authorized directors sign affixed the company according to the company certificate)	
<b>Date of Appointment</b>	11 <sup>th</sup> August 2017	
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>Bachelor of Science-Finance Major, Oregon State University</li> </ul>	
<b>Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	
<b>Share-holding Ratio (%)</b>	0.044	
<b>Family Relationship between Directors and the Management</b>	<ul style="list-style-type: none"> <li>Nephew of Directors No.5-8 and Executive No.1, Cousin of Executive No.2</li> </ul>	
<b>Work Experiences</b>		
<b>Periods</b>	<b>Positions</b>	<b>Name of Unit/Company/Business Type</b>
2017 - Present	Director	Southern Concrete Pile (Public) Co., Ltd. (Manufacturer and distributor of prestressed concrete products)
2014 - 2015	Institutional Equity Sales	KGI Securities (Thailand) Public Co.,Ltd.
2013 - 2014	Institutional Equity Sales	Phillip securities (Thailand) Public Co., Ltd.
2012 - 2013	Asset Quality Management	Kasikorn Bank Public Co., Ltd.
2012 - Present	Director	Nganthavee Rubber Plantation Co., Ltd. (Operating rubber plantations)

## 1.2 Particulars of Executives :-

Name-Surname		Miss Tipnara Nganthavee	
Age (years)	57		
Nationality	Thai		
Company's Position	Finance Director		
Date of Appointment	10 <sup>th</sup> Mar. 1995		
Academic Qualifications			
<ul style="list-style-type: none"><li>Master of Business Administration, University of Denver</li></ul>			
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)			
<ul style="list-style-type: none"><li>None</li></ul>			
Share-holding Ratio (%)	0.86		
Family Relationship between Directors and the Management			
<ul style="list-style-type: none"><li>Sister of Director No.5, Cousin of Directors No.6-8 and Aunt of Director No.9 and Executive No.2.</li></ul>			
Work Experiences			
Periods	Positions	Name of Unit/Company/Business Type	
1995 - Present	Finance Director	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)	

Name-Surname			Mr.Kampanart Petvaroon		
Age (years)			33		
Nationality			Thai		
Company's Position			General Manager		
Date of Appointment			1 <sup>st</sup> Jul. 2020		
Academic Qualifications					
<ul style="list-style-type: none"><li>Master of Science in Management, University of Leicester</li><li>Bachelor of Engineering, Sirindhorn International Institute of Technology.</li></ul>					
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)					
<ul style="list-style-type: none"><li>None</li></ul>					
Share-holding Ratio (%)			0.005		
Family Relationship between Directors and the Management					
<ul style="list-style-type: none"><li>Son of Director No.5, Nephew of Directors No.6-8 and Executive No.1, Cousin of Director No.9</li></ul>					
Work Experiences					
Periods		Positions		Name of Unit/Company/Business Type	
2020 - Present		General Manager		Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)	
		Director		C.B. Estate Co.,Ltd.  (Operating Property Development)	
		Director		C.B. Property Co.,Ltd.  (Operating Property Development)	
2017 - 2020		Strategic Business		Southern Concrete Pile (Public) Co., Ltd.	
		Development Executive		(Manufacturer and distributor of prestressed concrete products)	
2014 - 2016		Management Trainee		Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)	
2011 - 2014		Analyst		PTT Public Company Limited (Energy)	

Particulars of Executives :-(Continue)

Name-Surname			Mr. Somsak Wattanatham
Age (years)	66		
Nationality	Thai		
Company's Position	General Manager, Nakhon Pathom Factory		
Date of Appointment	2 <sup>nd</sup> May 1996		
Academic Qualifications			
<ul style="list-style-type: none"><li>Bachelor of Science in Engineering, Chiang Mai University</li></ul>			
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)			
<ul style="list-style-type: none"><li>None</li></ul>			
Share-holding Ratio (%)	0.025		
Family Relationship between Directors and the Management			
<ul style="list-style-type: none"><li>None</li></ul>			
Work Experiences			
Periods	Positions	Name of Unit/Company/Business Type	
1996 - Present	General Manager,	Southern Concrete Pile (Public) Co., Ltd.	
	Nakhon Pathom Factory	(Manufacturer and distributor of prestressed concrete products)	
1993 - 2015	Production Manager	Southern Concrete Pile (Public) Co., Ltd.	
		(Manufacturer and distributor of prestressed concrete products)	

Name-Surname			Mr. Taweesak Wongsupphachart
Age (years)		66	
Nationality		Thai	
Company's Position		Square Pile Production Manager	
Date of Appointment		1 <sup>st</sup> Jan. 1999	
Academic Qualifications			
<ul style="list-style-type: none"><li>High Vocational Certificate, Phuket Technical College</li></ul>			
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)			
<ul style="list-style-type: none"><li>None</li></ul>			
Share-holding Ratio (%)		None	
Family Relationship between Directors and the Management			
<ul style="list-style-type: none"><li>None</li></ul>			
Work Experiences			
Periods	Positions	Name of Unit/Company/Business Type	
1999 - Present	Square Pile Production Manager	Southern Concrete Pile (Public) Co., Ltd.	
		(Manufacturer and distributor of	
		prestressed concrete products)	



## Particulars of Executives :-(Continue)

Name-Surname		Mr. Amnuai Emkosa
Age (years)	60	
Nationality	Thai	
Company's Position	Sales and Marketing Manager	
Date of Appointment	1 <sup>st</sup> Sept. 1991	
Academic Qualifications		
<ul style="list-style-type: none"><li>Master's Degree, Kasetsart University</li><li>Bachelor of Science in Engineering, King Mongkut's University of Technology Thonburi</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>None</li></ul>		
Share-holding Ratio (%)	None	
Family Relationship between Directors and the Management		
<ul style="list-style-type: none"><li>None</li></ul>		
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
1991 - Present	Sales and Marketing Manager	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of  prestressed concrete products)

Name-Surname		Miss Duangdao Sukhavanich
Age (years)	60	
Nationality	Thai	
Company's Position	Finance Manager	
Date of Appointment	1 <sup>st</sup> Sep. 2000	
Academic Qualifications		
<ul style="list-style-type: none"><li>Master of Business Administration, Siam University</li><li>Bachelor of Economic, Ramkhamhaeng University</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>None</li></ul>		
Share-holding Ratio (%)	None	
Family Relationship between Directors and the Management		
<ul style="list-style-type: none"><li>None</li></ul>		
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
2000 - Present	Finance Manager	Southern Concrete Pile (Public) Co., Ltd.
		(Manufacturer and distributor of prestressed concrete products)

Particulars of Executives :-(Continue)

Name-Surname	Mr. Krisana Sartwathanaroj	
Age (years)	55	
Nationality	Thai	
Company's Position	Engineering and Service Manager	
Date of Appointment	1 <sup>st</sup> Jan 2015	
Academic Qualifications		
<ul style="list-style-type: none"><li>Bachelor of Science in Engineering, Chulalongkorn University</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>None</li></ul>		
Share-holding Ratio (%)	None	
Family Relationship between Directors and the Management		
<ul style="list-style-type: none"><li>None</li></ul>		
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
2015 - Present	Engineering and Service Manager	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)
2005 - 2014	Engineering Manager	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)

Name-Surname		Miss Tipaporn Rittawa
Age (years)	49	
Nationality	Thai	
Company's Position	Accounting Manager	
Date of Appointment	: 1 <sup>st</sup> Sep. 2010	
Academic Qualifications		
<ul style="list-style-type: none"><li>Master of Business Administration, Southeast Asia University</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>None</li></ul>		
Share-holding Ratio (%)	None	
Family Relationship between Directors and the Management		
<ul style="list-style-type: none"><li>None</li></ul>		
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
2010 - Present	Accounting Manager	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of  prestressed concrete products)

### 1.3 Particulars of the Company Secretary:-

Name-Surname	Mrs. Nittaya Chunualsri	
Age (years)	64	
Nationality	Thai	
Company's Position	The Company's Secretary, Senior Accounting Manager	
Date of Appointment	13 <sup>th</sup> Aug. 2008 , 1 <sup>st</sup> Sep. 2010	
Academic Qualifications		
<ul style="list-style-type: none"><li>Bachelor of Arts in Commerce and Accountancy (Finance and Banking), Thammasat University</li></ul>		
Roles of Directors Training Program : The Thai Institute of Directors Association (IOD)		
<ul style="list-style-type: none"><li>None</li></ul>		
Share-holding Ratio (%)	None	
Family Relationship between Directors and the Management		
<ul style="list-style-type: none"><li>None</li></ul>		
Work Experiences		
Periods	Positions	Name of Unit/Company/Business Type
2010 - Present	Senior Accounting Manager	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)
2008 - Present	The Company's Secretary	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)
1996 - 2010	Accounting Manager	Southern Concrete Pile (Public) Co., Ltd.  (Manufacturer and distributor of prestressed concrete products)

## Attachment 2

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### Details of the Subsidiary's Directors

- None -

## Attachment 3

Details of the Internal Audit Supervisor and the Company Performance Supervisor. (Compliance)

- None -

## Attachment 4

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Assets used in business and details of property appraisal list.

- None-

## Attachment 5

Policies and guidelines of corporate governance (full) and the Company's code of business ethics (full)

- According to part 2 corporate governance -

# Attachment 6

## Audit Committee Report

### Report of the Audit Committee 2020

To Shareholders of Southern Concrete Pile Public Company Limited

In 2020, there was a change in the Audit Committee, approved by the board meeting and the 2020 Annual General Meeting of Shareholders as follows;

1. Mr.Pongpayome Vasaputi resigned from the position of Chairman of the Audit Committee and he still retained in the position of Chairman of the Board of Director and Independent Director in order to have an efficient performance of corporate governance and good governance.
2. Mr.Bonguea Limsuebchuea, who have knowledge in accounting and finance. He has been in position Independent Director is in charge of the Chairman of the Audit Committee instead of Mr. Pongpoyam Vasputi
3. Appoint Police Colonel Somyos Kaewbangkerd as Audit Committee and independent director, considered and scrutinized by the Board of Director.

#### Thus, the Audit committee consist of;

- |                                       |  |
|---------------------------------------|--|
| 1. Mr.Bonguea Limsuebchuea            | Chairman of the Audit Committee and Independent Director |
| 2. Mr.Tasanai Atichati                | Audit Committee and Independent Director                 |
| 3. Police Colonel Somyos Kaewbangkerd | Audit Committee and Independent Director                 |

The three independent directors, whose are honorable in line with the Securities and Exchange Commission of Thailand (SEC). In 2020, four meetings were held to perform duties within the scope of responsibility and assigned by the Board as follows;

#### Review of Financial Reports

The Committee reviewed the Company's annual and quarterly financial statements, to ensure that it prepared in accordance with the accounting standards. The important information was reported and comply with the related regulations. Including meeting with the management for questions and financial reports suggestion before presented to the board for approval.

#### Corporate Governance and Internal Audit

The Committee attended the meeting with the auditors, without management, for suggestion or observation from auditing. The impact from accounting standard, which used in this year and next, correct the error as notified by the auditor.

There is an audit and review of the sufficiency assessment of the internal control system to suit of the risk before presented to the Board to reviewed the assessment questionnaire, and take results to analyzed assess suitability.

#### Review of Connected Transactions

The Board of Audit committee Meeting No.1/2020 has considered the land purchasing at Surat Thani plant location from the connected person with careful care. The Board concluded that the transaction was reasonable price, no conflicts of interest and will have companies' benefit in the future. Therefore presented to the Board of Director for approval and disclosed accordance with the regulations of the Securities and Exchange Commission



In addition, other connected transactions were considered, which was the normal commercial transaction. The disclosed information was accurate and truthful.

#### **Considered and appointed the auditors**

The Audit Committee and the related management selected the auditors considering from dependent in operations, experiences, reasonable prices, reviewed content and inspected times. Then, The Audit Committee would appoint the auditors from DIA International Auditing Company Limited to be the Company's auditors for the year 2020, namely Miss Suphaphorn Mangjit, CPA Registration No. 8125 or Miss Somjintana Pholhirunrat, Certified Public Accountant Registration No. 5599 or Mr.Nopparoeek Pissanu Wong, Certified Public Accountant Registration No. 7764, audit fee of 1,340,000 Baht per year, increasing from the previous year by 50,000 baht or equivalent to 3.87%

#### **The Audit Committees' opinions**

The Audit Committee voted unanimously that the Company's operation is transparent, honest and fair. The past year, the directors, executives and employees have persevered determine and effort in performing their duties for the Company to pass through the crisis under the situation of COVID-19 and the best interest of all stakeholders.

On behalf of the Audit Committee

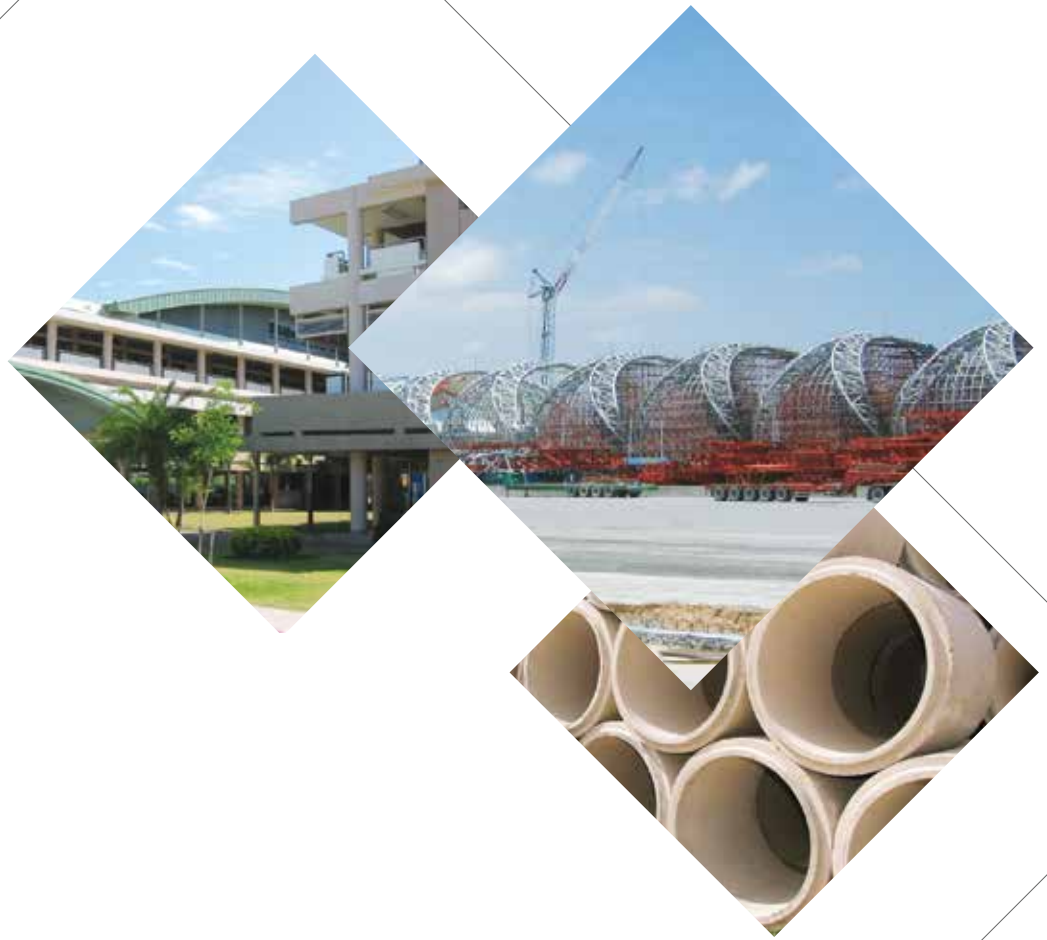


(Mr.Bonguea Limsuebchuea)  
Chairman of the Audit Committee









## **SOUTHERN CONCRETE PILE**

The Prestressed Concrete Leader



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**SOUTHERN CONCRETE PILE PLC.**

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