



NAWARAT

Annual Report

(56-1 One Report)

Nawarat Patanakarn Public Company Limited

**Developing
the Future**

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Attachment

	The details appear on the company website. https://www.nawarat.co.th/shareholders-meeting/ under the topic investor relations consists of
Attachment 1	Details of Directors, Executive, Controlling Persons, The Person Taking the Highest Responsibility in Finance and Accounting, The Person Supervising Accounting and Company Secretary
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Message from the Chairman



In 2022, the outbreak of coronavirus (COVID-19) has recovered globally which drives more challenges in the global economy. It was quite a fragile economic recovery at the starting point. Moreover, higher inflation has slower the economic recovery. As a result, central banks in various countries issued the interest rate hike policy accordingly. Fuel prices surged higher due to long Russia - Ukraine war. The controversy between countries also raised the food insecurity problem. Zero Covid measure by the Chinese government has caused the economy to slow down. The crisis in the real estate industry also counted as another factor. According to the 26th UN Climate Change Conference of the Parties (COP26), many countries are actively stating their carbon-neutral mission, including the goal of net zero emission by using clean energies instead of fossil fuels such as coal, oil, and natural gas. The above factors have stipulated uncertainty over society and the economy globally.

In 2022 in Thailand, the intensity of COVID-19 outbreak has decreased according to the global situation. The Thai government announced the cease of the nationwide COVID-19 Emergency Decree and reclassified COVID-19 as a communicable disease under surveillance, which led businesses to resume their operation and business activities almost as usual.

The nationwide COVID-19 restriction has been eased accordingly which enables Thailand to reopen its borders once again. The overall economy started

to recover due to the tourism industry, and since then economy have begun to recover respectively.

The Company also relaxed the preventive measures in terms of policy, business operation, working procedure among head office and construction sites. In fact, the Company's business strategy has been developed constantly in order to be more resilient in uncertain situations. Thanks to the above implementation, the Company's revenue increased from the previous year and resumed its profitability. However, the delay in handling over the project's area and the revision on construction drawing have delayed the completion date, which caused the revenue and profit generation to be lower than expected. The Company has been monitoring Thai government's policies regarding the investment in infrastructure projects such as land, air, and water transportation, including the investment in infrastructure development in Eastern Economic Corridor (EEC). There are some delays due to the time consuming over reviewing process by the government, including the mega projects is now seeking for the Thai Cabinet's approval before their term ends. On the other hand, the government's mega projects especially on transportation in which the biddings have already been awarded, for instance, high-speed train, double-track railway, seaport, power plant, and airport are expected to grow higher this year compared with the private sector's construction. The Company has successfully been awarded in the bidding of many projects that mentioned above.

The construction by private sectors continued to slow down, although it also started to have a good sign and prepared to launch the new construction projects of residential, economic building, and manufacturing industries which will be launched in the next year

The Company still strives “to be a leader in construction business, progress towards valuable future and able to provide benefits to all stakeholders with care and responsibility”. In this year, the Company has successfully been awarded in the bidding of new projects. Thus, the Company was able to maintain the number of backlogs that are close to the number of the year 2021, which its revenue will be continuously recognized in the next three years. Despite the crisis, the Board of Directors commits to creating the growth of the organization continuously and quality by stability in the long-term period, generating satisfactory returns to shareholders, stakeholders, and all related parties, and creating value for the overall economy of the country. The Board is also committed to conducting business in accordance with the guideline of sustainable development in terms of economy, society, and environment under the good corporate governance principle. The Company earned a 4-star Corporate Governance Rating and aimed to achieve a higher rating moving forward.

For the direction of the Company, the Company remains its operation in construction business, focusing on large-scale projects of the government which suit the Company’s expertise, and also the projects from the private sector which is now recovering. At the same time, the Company will continue to seek for works from the private sector in neighboring countries, namely Cambodia, Laos, Myanmar, and Vietnam (CLMV), which are enjoying their economic growth. The cost management, monitoring raw materials price and sourcing labor are the factors that will be taken to account in order to align all factors with the demand. Furthermore, the Company has conducted the business of pre-cast concrete products manufactured with the technologies from Europe and is also expanding its manufacturing capacity to meet the increased market demand in the EEC, which will be the hub for the country’s economic growth. For the real estate business, the Company’s strategy will focus on the demand in possible markets with a favorable growth rate. In 2023, the Company will make its pace in becoming an organization that has the potential at the international level to strengthen its foundation, prepare for economic recovery and more intensive competition. In this regard, the Company shall improve its operation in all aspects, managing risks more efficiently and effectively, controlling construction and labor cost together with the quality of materials and equipment, enhancing the efficiency and effectiveness of work execution to acquire the quality and standard that meet the customers’ highest satisfaction. Moreover, the Company shall develop its personnel in both technical and management aspects on a continuous basis which shall include encouraging awareness of social and environmental responsibility, since they are valuable resources and key essentials of sustainable growth.

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

Mr. Prasertphand Pipatanakul
Chairman



Message from the Chief Executive Officer

Thailand's economic outlook for 2022 began to show signs of recovery from the impact of the outbreak of coronavirus (COVID-19). The construction industry has expanded at a moderate pace, with the contribution of investment by the government. The majority of the government's projects were infrastructure projects especially in transportation segments such as rail system, public road, airport, and port. Most of the projects are consequent of the development of mega projects, including infrastructure projects to support the recovery of the tourism sector. The construction projects by private sectors continue to slightly recover particularly in residential, economic building, and manufacturing industries. The recovery in construction industry is align with the economic situation after relaxation of COVID-19 restrictions and reopening the country for tourists. Nowadays, major contractors who focus on construction projects from private sectors started to compete more on government's construction projects which literally have a higher budget than private sectors' megaprojects, even the profit margin is lower. However, the contractor could generate revenue for multiple years due to the long term nature of the government's construction projects. At the same time, overseas contractors became competitive players in Thailand's market by partnering with Thai's contractor. Despite domestic construction, Thai contractors also expand their business across the country and focus on acquiring construction projects especially in the neighboring countries. Nevertheless, the construction industry has faced a higher cost due to the hike in raw

material prices which affected by the high fuel price from Russia and Ukraine war. The interest rate tends to raise accordingly. The labor cost increased higher because of the labor shortage issue in every sectors including construction sector. The inflation rate also shifted higher than the rate before the COVID-19 outbreak and is unable to shift back to the normal rate yet. The construction business needs to manage cost wisely before it affects the company's liquidity which could force it to abandon the project. Moreover, the contractors for government's projects were unable to receive any compensation due to the escalation clauses (K or Escalation Factor) from their contracts. In addition, the new challenge of construction businesses belongs to sustainable matter which aimed to achieve net zero emission throughout the manufacturing and overall operation process.

In the middle of economic recovery with diverse negative factors, the Company's revenue has increased from the previous year. The Company's revenue in 2022 was 13,247 Million Baht which increased 18 percent compared with the year 2021, and the Company's net profit was 37 Million Baht. The Company still have a high level of backlogs, although there are a few issues from the delay in handing over of the construction site and the revision of the construction drawing. The recovery from the COVID-19 outbreak positively enhances the Company's operation to the new normal approach. The Company has also used technology on design and production process,

which improved the effectiveness on production process and also enhanced capability for the upcoming construction projects. In order to strengthen the financial structure, the Company issued and offered unsecured debentures with bond representative to propose the bond for accredited investors and the high net worth in amount of 500 Million Baht. The Company has strengthened the overall organization structure by successfully listing Utility Business Alliance Public Company Limited, the Company's subsidiary, on the Market for Alternative Investment (MAI), which offered the new ordinary shares to the public consequently.

Nevertheless, the Company foresees revenue growth from the high number of the Company's backlogs, new projects that are expected to be awarded and the new real estate projects which will be launched in the year 2023. In the light of challenging in construction business, for instance, the high interest rate, the rising of materials price, the hike in fuel price, the fluctuating exchange rate, and the raise in the minimum wage could lead to a higher inflation accordingly. The Company requires to operate its business with carefulness especially in the upcoming biddings in terms of budget control, the alignment of a working process according to the contract timeline, labor management, and liquidity management in order to be ready for future operation and investment. In addition, the Company also seeks collaboration with expert partners in order to enhance the Company's capability for future biddings. The Company also emphasized on human resources development with the Company's culture called 5C, in order to actively perform any tasks in time and able to serve the demand in the construction works in the long term.

In 2023, the Company foresees steady growth in turnover due to the drive from the government sector for large-scale investment projects, private sectors' projects particularly in industrial and commercial areas, including Thailand's public-private partnership projects (PPP projects) which the Company would have more potential to acquire the projects. These would initiate chances for the Company to be responsible for several projects in the near future. Furthermore, the Company has currently been handling a higher number of backlogs for about 34,809 Billion Baht which its revenue will be continuously recognized in the next three years. The Company's goal for the next year is to be awarded for new projects approximately 14,000 Million Baht, especially from the investment in infrastructure and the investment in mega projects to support economic growth. The mentioned investment will not only support economic growth but also strengthen the country's competitiveness.

The Company aims to continuity enhance the sustainable growth and strives to earn higher corporate governance rating which the Company currently ranked at 4-star, by focusing on efficient management and operation in strict compliance with the best practice of good corporate governance which will be applied from the board level, management level until each of employee. The Company earned CAC certification from Thailand's Private Sector Collective Action against Corruption coalition. These awards reflected transparent and accountable operations, anti-fraud, and corruption, while encouraging fair treatment, respect of human rights, environmental conservation, and responsibility to all stakeholders, including taking part in the development of the community and society on a continuous basis.

On behalf of the Management of Nawarat Patanakarn Public Company Limited, I would like to sincerely thank all concerned parties namely employees, shareholders, business partners, customers, government agencies, private partners, stakeholders, and financial institutes for your kind help and good support for the Company's operations in various aspects for over 40 years. We ensure that the Company will professionally continue our business, adhere to the good corporate governance principles together with social responsibility and environmental protection, create works that meet the customers' highest satisfaction, focus on the benefits of all the stakeholders, and bring more value to all parties concerned in order to make the Company become one of the best construction and engineering companies and to drive all sectors to firmly and sustainably grow together.

Mr. Polpat Karnasuta
Chief Executive Officer

Board of Directors



Mr. Prasertphand Pipatanakul

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

Age: 88 years

Shareholding proportion: None

Meeting attendance:

- 13 of 13 Board of Directors Meetings in 2022
- 12 of 12 Audit Committee Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 2 of 2 Code of Conduct Committee Meetings in 2022

First date of being director: April 28, 2009

Education / Training course

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

Experience

Present:

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

Other listed companies: None

Other companies (non-listed companies): None



Mr. Aphichart Dharmasaroja

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

Age: 71 years

Shareholding proportion: None

Meeting attendance:

- 12 of 13 Board of Directors Meetings in 2022
- 11 of 12 Audit Committee Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 2 of 2 Code of Conduct Committee Meetings in 2022
- 3 of 3 Nomination and Remuneration Committee Meetings in 2022
- 3 of 3 Risk Management Committee Meetings in 2022
- 2 of 2 Corporate Social and Environmental Responsibility Committee Meetings in 2022

First date of being director: April 28, 2009

Education / Training course

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

Experience

Present:

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

Other listed companies: None

Other companies (non-listed companies): None



Mr. Nattaphorn Bhromsuthi

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

Age: 64 years

Shareholding proportion: None

Meeting attendance:

- 10 of 13 Board of Directors Meetings in 2022
- 11 of 12 Audit Committee Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 3 of 3 Nomination and Remuneration Committee Meetings in 2022
- 3 of 3 Risk Management Committee Meetings in 2022
- 2 of 2 Corporate Social and Environmental Responsibility Committee Meetings in 2022

First date of being director: May10, 2016

Education / Training course

- Master of Engineering in Architectural, Chulalongkorn University
- Master of Science in Civil Engineering, Illinois Institute of Technology, Chicago, Illinois, U.S.A.
- Master of Engineering in Civil Engineering, Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University
- DCP class of 228/ 2016

Experience

Present:

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

Other listed companies: None

Other companies (non-listed companies): None



Mr. Polapat Karnasuta

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

Age: 63 years

Shareholding proportion:

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

Meeting attendance:

- 13 of 13 Board of Directors Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 3 of 3 Nomination and Remuneration Committee Meetings in 2022

First date of being director: April 19, 2007

Education / Training course

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

Experience

Present:

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

Other listed companies: None

Other companies (non-listed companies):

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



Miss Pakatip Lopandhsri

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

Age: 66 years

Shareholding proportion: 109,177 shares as of December 31, 2022

Meeting attendance:

- 13 of 13 Board of Directors Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 3 of 3 Nomination and Remuneration Committee Meetings in 2022
- 3 of 3 Risk Management Committee Meetings in 2022

First date of being director: January 1, 2017

Education / Training course

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

Experience

Present:

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

Other listed companies: None

Other companies (non-listed companies): None

Mr. Sook Sueyanyongsiri

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

Age: 69 years

Shareholding proportion: None

Meeting attendance:

- 13 of 13 Board of Directors Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 2 of 2 Code of Conduct Committee Meetings in 2022
- 3 of 3 Risk Management Committee Meetings in 2022
- 2 of 2 Corporate Social and Environmental Responsibility Committee Meetings in 2022

First date of being director: April 11, 2009

Education / Training course

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

Experience

Present:

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

Other listed companies: None

Other companies (non-listed companies):

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



Mr. Mongkol Peerasartikul

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

Age: 68 years

Shareholding proportion: None

Meeting attendance:

- 13 of 13 Board of Directors Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 2 of 2 Code of Conduct Committee Meetings in 2022
- 3 of 3 Risk Management Committee Meetings in 2022

First date of being director: April 26, 2018

Education / Training course

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

Experience

Present:

- Director and President of Nawarat Patanakarn Public Company Limited

Other listed companies: None

Other companies (non-listed companies): None

Mr. Apathorn Karnasuta

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

Age: 53 years

Shareholding proportion: 9,953,573 shares as of December 31, 2022

Meeting attendance:

- 13 of 13 Board of Directors Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 2 of 2 Code of Conduct Committee Meetings in 2022

First date of being director: April 28, 2021

Education / Training course

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

Experience

Present:

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

Other listed companies: None

Other companies (non-listed companies): None



Mr. Pasan Swasdiburi

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

Age: 58 years

Shareholding proportion: None

Meeting attendance:

- 13 of 13 Board of Directors Meetings in 2022
- 2 of 2 Corporate Governance Committee Meetings in 2022
- 2 of 2 Code of Conduct Committee Meetings in 2022

First date of being director: April 28, 2021

Education / Training course

- Master of Business Administration
Sasin Graduate Institute of Business Administration of
Chulalongkorn University
- Bachelor Degree in Science (Mechanical Engineering)
Saginaw Valley State University, Michigan, U.S.A
- DCP class of 310/2021

Experience

Present:

- Director of Nawarat Patanakarn Public Company Limited
- Senior Vice President of New Business & Strategic Planning
Department

Other listed companies: None

Other companies (non-listed companies): None

1. Structure and Business Operation

1.1 Policy and Business Overview

Nawarat Patanakarn Public Company Limited has provided construction services and manufactured pre-stressed concrete piles since 1976. In 1995, it was changed to a public company limited and changed its name from Nawarat Patanakarn Company Limited to Nawarat Patanakarn Public Company Limited. On February 17, 1995, the Company increased its capital and registered its paid-up capital to the amount of 500 Million Baht by offering its shares to the public and proposed to be listed on the Stock Exchange of Thailand on August 31, 1995. On September 27, 1995, the Company was incorporated as a listed company in the Stock Exchange of Thailand. As of December 31, 2022, the Company had the registered capital of 2,585,481,515 Baht and the paid-up capital of 2,585,481,515 Baht.

- Construction contracting business

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

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

- Pre-stressed concrete piles and precast concrete products business

The Company established its pre-stressed concrete product factories to supply its construction projects and also sell to the public by bidding and direct employment.

The Company's products include pre-stressed concrete piles, pre-stressed concrete girders and precast concrete pipes for construction of wastewater treatment projects, parapets, concrete pre-cast slabs and sheet pile to protect from land subsidence, with the ratio of production for supplying its own projects to that for selling to the others being 23: 77 in year 2020, 67:33 in year 2021 and 22:78 in year 2022

- **Steel structure fabrication business**

The Company has manufactured fabricated steel product for supplying its construction projects and selling to the others, with the ratio of production for supplying its own projects to that for selling to the others being 90: 10 in year 2020, 89:11 in year 2021 and 95:5 in year 2022

- **Petrol station**

The Company established a Shell Petrol Station on an area of 4-0-1 rai and applying for the permission for sales of oil under the Shell brand on behalf of Nawarat Patanakarn Public Company Limited on November 8, 2016. The station have started its services on December 15, 2016. This is an oil retail business taking the form of manual retail supply agreement known as "Pump Dow" selling both fuel oil and lubricating oil products. The station registered the business at Samutprakarn Provincial Administration Organization on February 1, 2017 and registered with Department of Energy Business as a Petrol Service Station Type A in compliance with Section 17(3) of the Fuel Control ACT B.E. 2542.

1.1.1 Vision, Objectives, Goals, and Operational Strategies

Vision

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

Mission

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

Goal

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

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

In 2022, the new Business & Strategic Planning Department has organized a quarterly meeting among working units in order to review the business strategies, the executives and employees participated in making the plan. In addition, there are workshops by an external expert who can provide further knowledge. The mentioned activities could facilitate working units to initiate and propose strategies to the annual meeting of business strategies towards Directors and executives.

1.1.2 Significant Changes and Developments

History

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

- Nawarat Patanakarn Public Company Limited was registered on May 31, 1976 with the initial registered capital of 4 Million Baht and gradually increased its capital.
- In 1995, the capital increase registration was made from 400 Million Baht to 500 Million Baht by way of shares held by domestic and overseas investors.
- On September 27, 1995, the Company was incorporated as a listed company on the Stock Exchange of Thailand. The Company changed its registered capital during the previous 5 years as follows:
 - In 2012, the Company has its registered capital of 2,217,950,679 Baht with paid-up capital of 1,552,901,243 Baht.
 - In 2013, the Company has its registered capital of 2,221,587,311 Baht with paid-up capital of 1,974,801,416 Baht.
 - In 2014, the Company has its registered capital of 2,812,221,856 Baht with paid-up capital of 2,585,481,515 Baht.
- On November 9, 2022, the Company issued and offered unsubordinated debentures. no collateral And there are debenture holders' representatives offering to institutional investors and high net worth investors in the amount of 500 million baht, 2 years maturity, full amount on November 9, 2024, interest rate 6.90 percent per year with the purpose of being used as working capital Interest payment for debentures in 2022 is 5.01 million baht. Conditions for issuing debentures "Requirements to Maintain Financial Ratios" The Company shall maintain a net debt to equity ratio as defined in the Terms and Conditions. In the ratio of not more than 3.25:1 times at the end of each quarter and the end of the fiscal year throughout the debenture life. Currently, the company has such ratio equal to 2.06 times where net debt means the total amount of debt only with interest burden minus cash and cash equivalents Equity means the stockholders' equity of the debenture issuer. Calculation of this ratio Calculated using the numbers from the consolidated financial statements of the company.

1.1.3 Use of Proceeds from Fundraising Activities

Debentures

On 9th November 2022, the Company issued and offered 500,000 units of 2-year debenture, No. 1/ 2022, at a par value of 1,000 Baht each, totaling 500 Million Baht. The debentures are name-registered, unsubordinated and unsecured debentures, with a debenture holders' representative. The term of debentures is 2 years with the maturity date of full redemption on 9th November 2024. The debentures bear a coupon rate of 6.90 percent per year. The payment of interest will be made every 3 months throughout the term in accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders. Due to the Company regulations, the Company is required to follow some conditions such as a limitation on the use of assets and maintaining the Net Debt to Equity ratio at a specific level.

The purposes of debentures issuance and offering

The usage of proceeds	The estimated amount of proceeds to be used (Baht)	The estimated period for proceeds usage	Details
To use as working capital	500,000,000	Within November, 2024	The issuer will use the fund from issuing debentures for working capital which will enhance the Company's liquidity.

Hence, the issuance of debentures has been made under Thai laws.

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

- None -

1.1.5 Company Information

Head office

Location	Bangna Towers A, 18 th -19 th Floor, No. 2/3 Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540		
Company Registration Number	0107538000096		
Registered Capital	2,585,481,515 Baht with paid-up capital of 2,585,481,515 Baht divided into 2,585,481,515 ordinary shares at the par value of 1 Baht per share		
Website	www.nawarat.co.th		
Telephone	(662) 730-2100		
Fax	(662) 751-9484 to 90		
Company's Secretary	Miss Pakatip Lophansri	Tel. (662) 730-2197	
Investor Relations Division	Mr. Weerayut Bunyawad	Tel. (662) 730-2166	

Branch offices

Location 1796 Bangna-Trad Road, Bangna, Bangkok

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

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

Location 1796 Bangna-Trad Road, Bangna, Bangkok

Location 53/4 Moo 9, Prong Akat, Bang Nampreaw, Chachoengsao

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

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

Shell petrol station by Nawarat Patanakarn Public Company Limited

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

1.2 Nature of Business Operations

1.2.1 Revenue Structure

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

Revenue type	2022		2021		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Construction business	11,971	90.37	9,889	88.19	7,729	77.80
Sale of real estate and services	529	3.99	760	6.78	475	4.78
Concrete products business	529	3.99	273	2.43	1,582	15.93
Petrol station business	69	0.52	165	1.47	73	0.73
Interest income	7	0.05	4	0.04	5	0.05
Other revenues	142	1.08	122	1.09	70	0.71
Total revenues	13,247	100	11,213	100.00	9,934	100.00

Separation of income in 2022

1. Income from construction business in total amount of 11,971 Million Baht. This consists of the Company's own income in amount of 11,281 Million Baht, income of Utility Business Alliance Company Limited in amount of 604 Million Baht, income of Advance Prefab Company Limited in the amount of 86 Million Baht.
2. Income from sale of real estate and services in total amount of 529 Million Baht consisting of the portion Mana Patanakarn Company Limited in the amount of 415 Million Baht, and the portion of Taste Maker Company Limited from sale of instant food and restaurant business in the amount of 114 Million Baht.
3. Income from concrete products manufacturing business which totals 529 Million Baht. belongs to Advance Prefab Company Limited.
4. Income from the petrol station business which is owned by the Company in amount of 69 Million Baht.
5. Income from gained interests, such as the gained interest from financial institutions, joint ventures and other companies.
6. Others incomes, i.e. profits from sale of assets, project management cost and profits from exchange rates.

1.2.2 Product Information

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

(2) Market and Competition

1. Marketing strategies

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

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

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

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

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

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

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

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

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

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

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

2. Sale and distribution channels:

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

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

Distribution of processed steel: The Company mainly manufactures processed steel for use in its own construction works, for example, the steel structure of beams for bridge or the structure work for large buildings in order to reduce the construction cost. Normally, in the past five years, the proportion of manufacturing for its own usage and for sale was 82:18. However, in case there is sufficient capacity, the Company would manufacture the products as per the order, requirement, and standard of customers.

3. Nature of customers:

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

Construction services: the group of customers consists of:

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

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

Year 2022

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

Year 2021

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

Year 2020

Private Sectors	11 percent of total revenues
Government Sectors	89 percent of total revenues

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

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

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

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

When considering of accounts receivable for unrelated parties, the Company has 12-month overdue accounts receivable before deduction of doubtful debts as at December 31, 2020 in the amount of 130 Million Baht, December 31, 2021 and December 31, 2022 in the amount of 141 Million Baht.

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

Summary of reserves recordings for doubtful debts

Unit: Million Baht

Transactions	2022	2021	2020
Payment receipt from account receivables who were recorded for doubtful debts (reversed bad debts)	0.18 (651.43)	1.38	19.53
Additional record of periodic doubtful debts	18.70	41.63	47.57

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

- 1) Bangkok Drainage Office receivable balance as of 31 December 2022 is equal to 296.83 million baht, consisting of
 - N.537, Wastewater collection system construction project and Minburi Wastewater Treatment System, Phase 1, for 43 million baht.
 - N.567, Water drainage tunnel in Khlong Thawi Watthana project in the bottleneck area for 222 million baht.
- 2) TPSC (Thailand) Co.,Ltd. receivable balance as of December 31, 2021 is equal to 246 million baht.
 - N.551 Amata B.Grimm Power 1 (ABP1R) + Amata B.Grimm Power 2 (ABP2R) for 124 million baht
 - N.552 Glow SPP1 Limited (GSPP1R) for 86 million baht
 - N.553 Grimm Power (Ratchaburi) 1 (BPR1) +B. Grimm Power (Ratchaburi) 2 (BPR2) in money 36 million baht
- 3) Sino-Thai Engineering Plc. and construction Balance of receivables as of December 31, 2021 is equal to 173 million baht consisting of
 - N.517 Structural and architectural works MRT Pink Line Construction Project Khae Rai-Minburi period for 34 million baht
 - N.505 Construction of manholes and underground conduits in conjunction with the MRT Yellow Line Project The intersection of Ratchada Ladprao to Soi Lat Phrao is 4 million baht.
 - N.506 Construction of manholes and underground conduits in conjunction with the MRT Pink Line Project From Khlong Prapa to Minburi, the amount is 128 million baht.
 - N.538 Tunnel Construction Project, Underpass Phatthanakan Intersection MRT Yellow Line Project Lad Phrao-Samrong, 7 million baht

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

4. Competitive condition within the industry:

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

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

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

(3) Procurement of Products or Services

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

1. Manufacturing capacity and production volume

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

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

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

Manufacture of pre-stressed concrete piles and concrete products:

	2022 cu.m/year	2021 cu.m/year	2020 cu.m/year
Productivity *			
- Bangna-Trad Plant, KM 4	30,000	30,000	30,000
- Bangnampriew Plant, Chachouengsao	48,000	48,000	48,000
- The manufacturing plant for concrete pipe and precast concrete products (Mahachai)	20,000	20,000	20,000
Total	98,000	98,000	98,000
Actual production			
- Bangna-Trad Plant, KM 4	12,864	10,200	19,513
- Bangnampriew Plant, Chachouengsao	20,509	14,774	30,724
- The manufacturing plant for concrete pipe and precast concrete products (Mahachai)	8,749	9,333	17,797
Total	42,122	34,307	68,034
Percent of productivity	42.98	35.01	69.42
Percent of increase(decrease) of production	22.78	(49.57)	(12.42)

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

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

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

	2022 (tons)	2021 (tons)	2020 (tons)
Capacity	12,000	12,000	12,000
Quantity	14,127	8,961	7,049
Percent of productivity	117.72	74.68	58.74
Percent of increase (decrease) of production	57.65	22.99	8.31

Since the nature of business of the Company is construction business, the manufacture of concrete piles and processed steel, need to operate to meet the construction plans in each period of each project. But there is no specific number of shifts in each manufacturing phrase unlike normal operation in industrial factory, the capacity and manufactured quantity is thus represented according to the authentic work outcomes against the manufacturing capacity. In 2017.

2. Construction materials and suppliers

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

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

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

Technological change and use of construction materials: Since the execution of works must be in compliance with the contract. In spite of using differing construction technologies, the materials as specified in the contract still needed to be used.

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

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

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

3. Environmental impact

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

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

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

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

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

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

Types of asset	Rights of asset	Utilization	Area	Purchase price (Baht)	Book value (Baht) As at December 31, 2022
1. Land					
Title Deed No.10646 located at Paktho district, Ratchaburi province	Mortgaged	Sand field	18-2-76 rai	1,214,850.00	1,214,850.00
NS-3K or Confirmed Certificate of Use No. 730 located at Paktho district, Ratchaburi province	Mortgaged	Sand field	6-2-93 rai	302,962.50	302,962.50
NS-3 or Certificate of Use No.126 located at Paktho district, Ratchaburi province	Mortgaged	Sand field	16-0-5 rai	1,601,250.00	1,601,250.00
NS-3K or Confirmed Certificate of UseNo. 946 located at Paktho district, Ratchaburi province	Mortgaged	Sand field	0-3-98 rai	99,500.20	99,500.20
NS-3K or Confirmed Certificate of Use No. 948 located at Paktho district, Ratchaburi province (Title Deed No. 32126)	Mortgaged	Sand field	16-0-49 rai	1,612,250.00	1,612,250.00
Cost of landfilling and land improvement	Mortgaged	Workers' camp/ document storage	24-1-38 rai	{ 3,212,009.00	3,212,009.00
Title Deed No.35236 located at Bang Nam Priao district, Chachoengsao province				{ 8,520,750.00	8,520,750.00
Title Deed No. 27604 located at Mueang district, Chachoengsao province	Mortgaged	Factory	37-3-99 rai	{ 958,893.45	958,893.45
Title Deed No. 490 located at Mueang district, Chachoengsao province	Owner	Factory		{ 11,104,164.05	11,104,164.05
Cost of landfilling and land improvement				{ 8,901,100.80	8,901,100.80

Types of asset	Rights of asset	Utilization	Area	Purchase price (Baht)	Book value (Baht) As at December 31, 2022
Title Deed No. 7807 located at Mueang district, Chachoengsao province	Mortgaged	Factory	10-3-38 rai	104,400,000.00	104,400,000.00
Title Deed No. 7808 located at Mueang district, Chachoengsao province	Mortgaged	Factory	11-2-07 rai		
Title Deed No. 15050 located at Mueang district, Chachoengsao province	Mortgaged	Factory	26-2-69 rai		
Title Deed No. 2497 located at Bang Sao Thong district, Samut Prakan province	Mortgaged	Petrol station	4-0-1 rai	22,187,087.95	22,187,087.95
Title Deed No. 23004 located at Dokmai sub-district, Prawet district, Bangkok	Owner	Construction model office	26.8/24.2/25.1 square wah	1,996,181.39	1,996,181.39
Title Deed No. 23007 located at Dokmai sub-district, Prawet district, Bangkok					
Title Deed No. 23027 located at Dokmai sub-district, Prawet district, Bangkok					
Title Deed No. 22247,22248 located at Betong district, Yala province	Owner	Place for construction material	2-0-147.3 square wah	450,000.00	450,000.00
Total				166,560,999.34	166,560,999.34
Cost of Land Improvement				49,754,805.17	
Less Accumulated depreciation				(34,555,154.71)	15,199,650.46
2. Building					
- Office – Pile plant KM.4	On leased land	Office		3,443,805.79	
- Showroom - EGG	On leased and	Showroom		22,194,947.01	
- Document storage building	Owner	Document storage		3,820,024.74	
- Workers' camp	Owner	Residential		1,886,601.37	
- Wat Sri Petrol station, restaurant and coffee shop	Owner	Petrol station, convenience store		40,746,336.82	

Types of asset	Rights of asset	Utilization	Area	Purchase price (Baht)	Book value (Baht) As at December 31, 2022
- Neo Siam Building (Suanluang Rama IX)	Owner	Office		6,244,830.94	
- Headquarter Improvement Part	Leased Building	Office		8,841,416.03	
- Plant Improvement Part	Owner	Production plant		89,631,245.64	
Total				176,809,208.34	
Less Accumulated depreciation				(94,863,134.83)	81,946,073.51
3. Temporary building	On leased land	Office		100,469,387.37	
Less Accumulated depreciation				(76,194,288.67)	24,275,098.70
4. Construction machinery and equipment	Owner	Using in construction process		3,370,572,432.73	
Less Accumulated depreciation				(2,750,519,809.40)	
Less Allowance for impairment				(27,484,914.90)	592,567,708.43
5. Vehicle	Owner	Using in construction process and operation		772,910,449.17	133,933,641.20
Less Depreciation				(638,976,807.97)	174,144,457.39
6. Office equipment	Owner	Using in construction process and operation		289,257,686.43	
Less Accumulated depreciation				(205,154,686.97)	84,103,181.46
Total net asset value					1,098,586,353.10

- As at December 31, 2022, an asset's book value excluding leasehold as indicated in item no. 7 was equal to 1,098.58 Million Baht.
- The value of Construction-In-Process Asset was 24.06 Million Baht, which consists of drill head improvement and steel template for casting concrete pipe.
- The net asset value of land, building, and equipment according to the Company financial statement was 1,330.77 Million Baht as at December 31, 2022.
- Build, machinery and vehicle of Joint Venture have net asset value in the total amount of 208.13 Million Bath.
- Buildings, constructions, machinery, vehicles - net of subsidiaries 620.56 million baht
- The net asset value of land, building and equipment according to the Company consolidated financial statement was 1,951.33 Million Baht as at December 31, 2022.

Types of asset	Utilization	Counter Parties	Area	Rental tern (Years)	Rental fee per month As at December 31, 2022	Contract end date
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Land

1. No. 3514, 3572 Rama II Road, Bangkrachao sub-district, Muang Samut Sakhon district, Samut Sakhon province	Concrete products plant	Samut Sakhon Land Group of people which consists of Wacin Buddhari, brother in law of Mr. Polpat Karnasuta, Chief Executive Officer of the Company.	37-1-17 rai	3	60,691.67	June 30, 2023
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Building

• 2/3 Moo 14, Bangna Towers A, 5 th and 18 th -19 th Floor, Bangna-Trad Road, Bangkaew sub-district, Bangplee district, Samutprakarn province	Headquarter	Teo Hong Silom Co., Ltd. which does not have any relationship with the Company	1,935.56 rai	3	791,293.59	December 31, 2020
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Investment property

Investment property as at December 31, 2022 in the amount of 178,880,829.11 Baht, which consists of the following properties:

1. Land located at Pa Mok District, Ang Thong province consists of 9 title deeds with the area of 53-1-37 rai of. The net asset value was 31,768,500 Baht.
2. Land located at Pathumthani province, Title Deed No. 72747 with the area of 0-1-50 rai. The asset value was 750,000 Baht.
3. One plot of land located at Bangplee district, Samutprakarn province, Title Deed No. 93754 with the area of 0-1-17 rai. The asset value was 1,404,000 Baht.
4. Land located at Bo Phut sub-district, Koh Samui district, Surat Thani province with the area of 44-0-83.7 rai. The asset value was 115,919,156 Baht with the cost of land Improvements (in the year 2015) of 9,581,627.00 Baht. Thus, the net asset value was 125,500,783 Baht.
5. Land located at Mae Rim district, Chiang Mai province, Title Deed No. 20662 and 20663 with the area of 12-0- 61 rai. The asset value was 16,000,000 Baht with the cost of land improvement of 156,794 Baht. Thus, the net asset value was 16,156,794 Baht.
6. Land located at Wang Chik sub- district, Phichit district, Title Deed No. 6406 6407 with the area of 16-3-15 rai. The asset value was 841,800 Baht.
7. Land located at Manorom district, Chainat province, Title Deed No. 3607 2378 with the area of 12-1- 68 rai. The asset value was 563,625 Baht.
8. Land located at Pak Chong district, Nakhon Ratchasima province, Title Deed No. 32126 with the area of 0-3-13 rai. The asset value was 1,895,327.11 Baht.

(5) Backlogs
Backlogs

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

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.505	Sino-Thai Engineering & Construction Public Company	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Yellow Line project (Project owner: Metropolitan Electricity Authority)	12 Dec 2017	2 May 2023	313.55	312.45	1.15	99.65
N.506A	Sino-Thai Engineering & Construction Public Company	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project - Khae Rai Intersection (Project owner: Metropolitan Electricity Authority)	26 Feb 2018	28 Nov 2023	1,508.38	1,153.19	355.19	76.45
N.506B	Sino-Thai Engineering & Construction Public Company	Construction of Manhole and Underground Duct Bank in conjunction with the MRT Pink Line Project – Canal Part (Project owner: Metropolitan Electricity Authority)	12 Dec 2017	28 Nov 2023	1,537.43	1,392.11	145.32	90.55
N.507	CKST Joint Venture(CKST)	The MRT Orange Line (East Section) Project (Project owner: Mass Rapid Transit Authority of Thailand)	15 Mar 2018	31 May 2022	1,596.58	1,582.06	14.52	99.09
N.515	Magnolia Quality Development Corp.Ltd.	Civil work of Forestias	1 Jul 2018	31 May 2021	766.66	757.99	8.67	98.87
N.516	Department of Public Work, Bangkok	Construction of Underground Tunnel through Ratchada- Ratchapruek	28 Sep 2018	3 Oct 2022	805.79	759.20	46.59	94.22

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.517	Sino-Thai Engineering & Construction Public Company	Construction of Structure and Architecture of the MRT Pink Line Monorail (Khae Rai- Min Buri), 18 stations (Project owner: Eastern Bangkok Monorail Company Limited)	30 Nov 2018	28 Feb 2023	2,707.52	2,681.28	26.24	99.03
N.518A	Sino-Thai Engineering & Construction Public Company	Construction of Structure and Architecture of the MRT Yellow Line Monorail (Lat Phrao-Samrong), 16 stations (Project owner: Eastern Bangkok Monorail Company Limited)	30 Nov 2018	31 Jan 2023	3,062.45	3,035.70	26.75	99.13
N.520	Metropolitan Electricity Authority	Construction of Manhole and Underground Duct Bank in conjunction with the Construction of Underground Tunnel through Ratchada-Ratchapruk by Bangkok Metropolitan Administration	26 Dec 2018	4 June 2023	332.07	201.97	130.10	60.82
N.521	Metropolitan Electricity Authority	The Changing of Aerial Electrical Cable System to Underground Electricity Cable, Ratchada- Rama 9 Project	16 Jan 2019	5 June 2023	1,882.85	949.87	932.98	50.45
N.533	Metropolitan Electricity Authority	The Changing of Aerial Electrical Cable System to Underground Electricity Cable along the MRT Green Line (Bearing- Samut Prakan)	15 Sep 2019	20 Jan 2024	2,171.41	206.91	1,964.50	9.53
N.536	One Bangkok Co.,Ltd.	MRT Connection Works - One Bangkok Mixed-Use Development	1 Mar 2020	23 Dec 2022	285.48	279.53	5.95	97.92

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.538	Sino-Thai Engineering & Construction Public Company	Project of Pattanakarn Underground Tunnel in conjunction with MRT Yellow Line Project	20 Jun 2023	20 Jun 2023	173.00	129.34	43.66	74.76
N.542	Metropolitan Electricity Authority	Underground Power Cable Project under the Chao Phraya River, from Pranakorn Tai Station to Suksawat Station	8 Apr 2023	8 Apr 2023	341.96	77.41	264.55	22.64
N.543	TN Joint Venture	Construction of 3rd Runway, Taxiway D Extension, and Perimeter Taxiway at Suvarnabhumi International Airport, Bangkok	15 Aug 2023	15 Aug 2023	1,030.00	573.85	456.15	55.71
N.544	A.S. Associated Engineering Co., Ltd.	AS Bangkok Bridge	31 Oct 2022	31 Oct 2022	253.77	251.94	1.83	99.28
N.545	State Railway of Thailand	Cooperation Project between Thailand and Republic of China for Development of High-Speed Rail System to Connect Regions Bangkok- Non Khai, Contract 3-2 Civil Works for Tunnel (Muak Lek and Lan Takhong)	21 Nov 2020	2 Apr 2024	3,999.35	552.76	3,446.59	13.82
N.548	Metropolitan Waterworks Authority	Construction of the pipeline project and related works in accordance with Ror Tor Por. 133 Contract	19 Aug 2020	30 Dec 2023	105.95	91.46	14.49	86.32
N.550	TPSC (Thailand) Co.,Ltd.	B.Grimm Power (Laem Chabang) : BPLC1R	16 May 2020	16 Jun 2022	547.10	448.80	8.70	98.16
N.551	TPSC (Thailand) Co.,Ltd.	Amata B.Grimm Power 1 & 2 : ABP1R & ABP2R	17 Sep 2020	28 Sep 2022	1,185.70	1,174.83	10.87	99.08
N.552	TPSC (Thailand) Co.,Ltd.	Glow SPP1 Limited : GSPP1R	30 Oct 2020	30 Dec 2022	908.30	899.20	10.10	98.89

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.554	Department of Highways	Construction of South Chachoengsao Bypass Road, Chachoengsao province	4 Sep 2020	19 Aug 2023	969.63	616.62	353.01	63.59
N.555	Airports of Thailand Public Company Limited	Construction of Taxiway C and the Installation of Lighting System at Krabi Airport	29 Oct 2020	16 Apr 2023	880.28	453.21	427.07	51.48
N.556	Marine Department	Construction of the Retaining Wall of Pasak River Phase 2, Section 1, Ayutthaya province	19 Sep 2020	7 Mar 2023	463.08	386.22	76.86	83.40
N.557	TN- CEI Joint Venture	Construction of parallel taxiway system at the north side and maintenance taxiway at the end of apron for Mae Fa Luang Airport at Chiang Rai	4 Oct 2021	26 Jul 2023	63.50	48.68	14.32	76.66
N.558	One Bangkok Co.,Ltd.	Construction of Road Underpass Connecting Expressway and One Bangkok Project	1 Oct 2020	30 Jun 2023	424.61	310.20	114.41	73.06
N.560	Department of Public Works and Town and Country Planning	Construction of Flood Control System Phase 2 in Omyai Community at Nakhon Pathom province	13 Nov 2020	15 May 2023	305.23	229.77	75.46	75.28
N.561	Metropolitan Electricity Authority	The Changing of Aerial Electrical Cable System to Underground Electricity Cable in conjunction with the MRT Green Line, Sukhumvit Road, Sukhumvit 81- Soi Bearing	15 Feb 2022	29 Jan 2024	1,461.75	125.64	1,336.11	8.60
N.562	Bangkok Metropolitan Administration	Construction of Drainage Tunnel for Khlong Prem Prachakorn from Khlong Bang Bua to the Chao Phraya River	9 Sep 2021	13 Aug 2026	874.88	111.54	763.34	12.75

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.563	Italian-Thai Nawarat Joint Venture	Construction of water transmission tunnel along the Ratchapruet Road, from Klong Mahasawat to Petchkasem Road	27 May 2021	25 May 2024	924.54	320.24	604.30	34.64
N.564	Department of Highways	Construction of the Southern Chachoengsao Bypass (Bridge over the Bang Pakong River) at Chachoengsao province	21 Aug 2021	4 Aug 2024	914.67	391.55	523.12	42.81
N.565	Department of Public Works and Town and Country Planning	Construction of Flood Control System Phase 1 in Krathumlom Community at Nakhon Pathom province	900 days		277.48	186.45	91.03	67.19
N.566	Central Food Products Company Limited	Construction of structure and architecture of an animal feed mill at Hin Kong, Saraburi province	1 Aug 2021	16 Mar 2023	446.00	454.81	31.19	93.58
N.567	Bangkok Metropolitan Administration	Construction of a drainage tunnel for Khlong Thawi Watthana in the bottleneck area	1,080 Days		2,074.02	241.68	1,832.34	11.65
N.568	NTH Joint Venture	Construction of the runway extension with the airport electrical system and other components at Trang Airport	24 Sep 2021	12 Oct 2025	263.29	171.63	91.66	65.19
N.569	Department of Public Works and Town and Country Planning	Maintenance and development of flood control system in Omnoi Community , Amphoe Krathum Baen, Samut Sakhon province	21 Dec 2021	20 Nov 2023	45.23	34.16	11.07	75.53
N.570	Hutchison Laemchabang Terminal Limited	TERMINAL D PHASE 2A 2B & 2C LAEMCHABANG THAILAND	16 Mar 22022	29 Dec 2024	3,451.96	943.92	2,508.08	27.34

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
N.571	Drainage and Sewerage Department BMA.	Wastewater collection system from Phitsanulok Road to Sri Ayutthaya Road	29 Sep 2022	27 Mar 2023	114.77	0.58	114.19	0.51
Total								
Joint Venture								
JV.001	NTA Joint Venture	Elevated road construction on Highway No. 35, Thon Buri - Pak Tho (Rama 2 Road) section, Bang Khun Thian Interchange - Ekachai Section 1	28 Sep 2019	1 Oct 2023	1,269.25	976.80	292.45	76.96
		Construction of a manhole and an underground electrical conduit in conjunction with the project to improve the highway no. 35, Thon Buri - Pak Tho route	28 Sep 2019	NTP date 900 Days	146.20	976.80	292.45	76.96
JV.002	NCRREC Joint Venture	National Water Resources Office Building Work, Bang Tad Subdistrict, Pak Kret District, Nonthaburi Province	540 Days		341.48	319.03	22.45	93.43
	N.549	Sub to NWR			(6.35)	(6.35)	0.00	100.00
JV.003	TN Joint Venture	3rd Runway Construction, Taxiway D Extension and Perimeter Taxiway, Suvarnabhumi Airport	28 Sep 2020	15 Aug 2023	4,357.37	2,194.84	2,162.53	50.37
	N.543	Sub to NWR			(1,030.00)	(573.85)	(456.15)	55.71

(Unit: Million Baht)

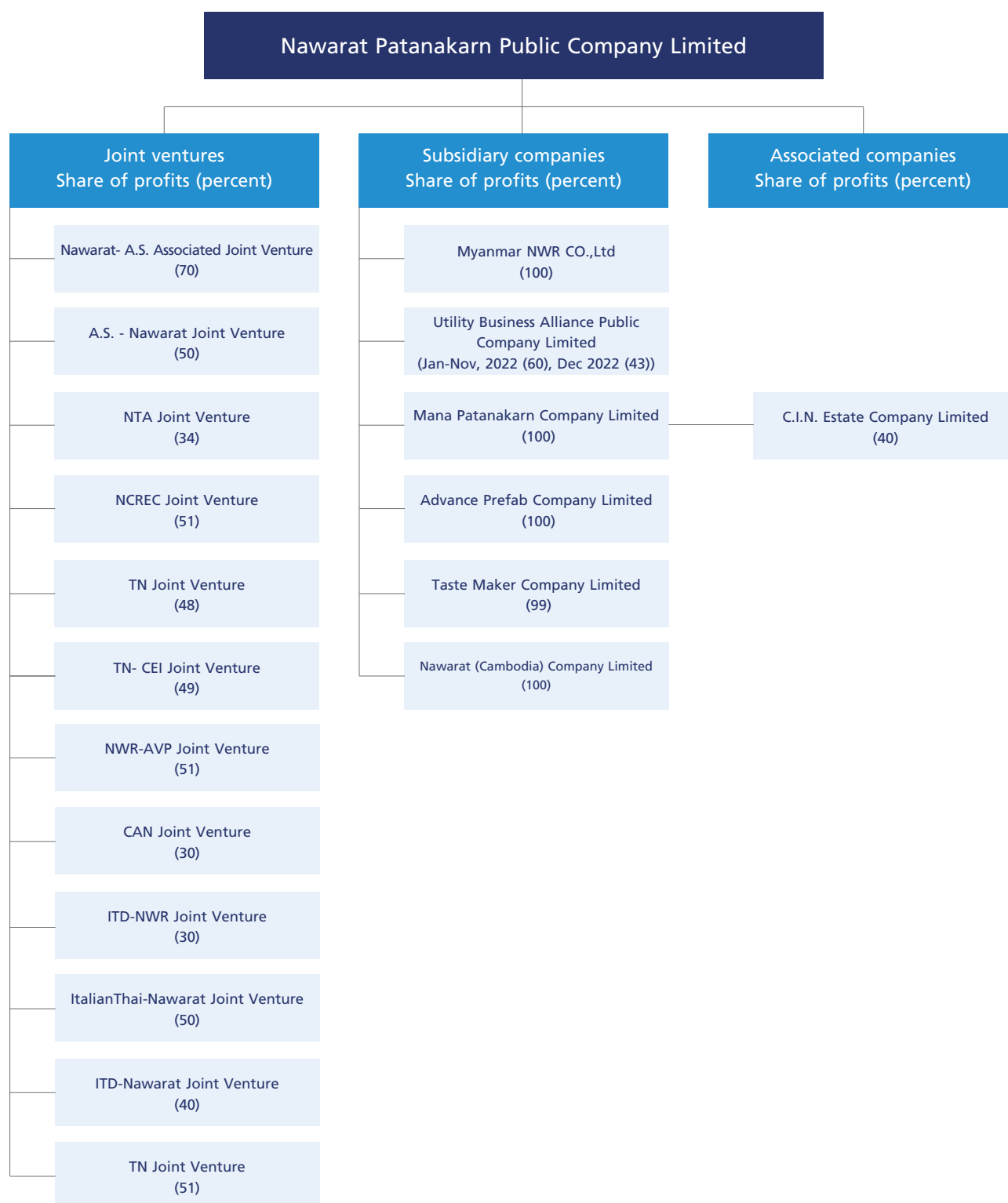
Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
JV.004	TN-CEI Joint Venture	3 rd Runway Construction, Taxiway D Extension and Perimeter Taxiway, Suvarnabhumi Airport	4 Oct 2021	26 Jul 2023	308.70	117.18	191.52	37.96
	N.557	Sub to NWR			(31.12)	(23.85)	(7.26)	76.66
JV.005	NWR-AVP Joint Venture	Skywalk connection construction between Chulabhorn Hospital and Lak Si Station	26 Apr 2021	20 Jan 2022	113.54	106.19	7.35	93.53
JV.006	CAN Joint Venture	Skywalk connection construction between Chulabhorn Hospital and Lak Si Station	1,080 Days		3,231.41	394.49	2,836.92	12.21
JV.007	Italianthai – Nawarat Joint Venture	Water tunnel works along Ratchaphruek Road from Khlong Maha Sawat to Petchkasem Road with relevant works, contract G-TN-9B	8 Sep 2021	7 Sep 2024	1,899.67	460.65	1,439.03	24.25
	N.563	Sub to NWR			(924.54)	(320.24)	(604.30)	34.64
JV.008	ITD-NWR Joint Venture	Water tunnel works along Ratchaphruek Road from Khlong Maha Sawat to Petchkasem Road with relevant works, contract G-TN-9B	9 Sep 2021	13 Aug 2026	2,316.40	128.71	2,187.69	5.56
	N.562	Sub to NWR			(874.88)	(111.54)	(763.34)	12.75
JV.009	ITD-Nawarat Joint Venture	Construction of the Den Chai - Chiang Rai - Chiang Khong Railway, Contract 1: Den Chai - Ngao Section	15 Feb 2022	14 Jan 2025	2,593.94	37.53	2,556.41	1.45
JV.010	NTH Joint Venture	Runway extension work with aerodrome electrical system and other components Trang Airport, Trang Province	29 Sep 2021	25 Oct 2025	879.56	187.94	691.62	21.37
	N.568	Sub to NWR			(139.54)	(90.96)	(48.58)	65.19

(Unit: Million Baht)

Project	Employer	Detail	Commencement date	Completion date	Project value according to the contract	Revenue recognition	Value of backlog	Percentage of project completion
JV.011		Purple Line Tao Poon - Rat Burana (Kanchanaphisek Ring Road) Contract 3 Design and Construction of Tunnels and Underground Stations Passing the sky - Phutthaphan Bridge	2,005	Days	5,593.26	96.57	5,496.69	1.73
JV.012	NT Joint Venture	Soil improvement work at the parking lot near the 2 nd concourse building, Suvarnabhumi Airport	900	Days	1,468.04	-	1,468.04	0.00
		Total			21,512.39	3,893.13	17,619.26	
		Grand Total			61,210.03	26,439.59	34,770.44	

1.3 The Company's Shareholding Structure

1.3.1 The Company's Shareholding Structure as December 31, 2022



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

Joint venture	Address	Type of business	Share of profit (percentage)
Nawarat – A.S. Associated Joint Venture	8/24-25 SoiLadprao 8, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900	Construction	70
A.S. – Nawarat Joint Venture	230 Soi Yasob 1, Viphavadi-Rangsit Road, ChomPhon, Chatuchak, Bangkok 10900	Construction	50
NTA Joint Venture	2/3 Moo14 Bangna Towers A 19 th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	34
NCREC Joint Venture	2/3 Moo14 Bangna Towers A 19 th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	51
TN Joint Venture	118/1 Tipco Tower, Rama 6 Road, Phayathai, Phayathai, Bangkok 10400, Thailand	Construction	48
TN- CEI Joint Venture	118/1 Tipco Tower, Rama 6 Road, Phayathai, Phayathai, Bangkok 10400, Thailand	Construction	49
NWR-AVP Joint Venture	2/3 Moo14 Bangna Towers A 19 th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	51
CAN Joint Venture	2034/82 ItalThai Tower, 18th Floor, New Petchburi Road, Bangkok, Huay Kwang, Bangkok 10310.	Construction	30
ITD-NWR Joint Venture	2034/151 ItalThai Tower, 29th Floor, New Petchburi Road, Bangkok, Huay Kwang, Bangkok 10310.	Construction	30
ItalianThai-Nawarat Joint Venture	2034/151 ItalThai Tower, 29th Floor, New Petchburi Road, Bangkok, Huay Kwang, Bangkok 10310.	Construction	50
NTH Joint Venture	2/3 Moo14 Bangna Towers A 19 th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	53
ITD-Nawarat Joint Venture	2034/151 ItalThai Tower, 29th Floor, New Petchburi Road, Bangkok, Huay Kwang, Bangkok 10310.	Construction	10.45

Subsidiary company	Address	Type of business	Share of profit (percentage)
Myanmar NWR Co., Ltd.	32, Hlaing Myint Moh Street 4, Ward 10, Hlaing Township, Yangon, Myanmar.	Construction	100
Utility Business Alliance Public Company Limited	21 Viphavadi-Rangsit Road, Chomthong, Chatuchak, Bangkok 10900	Wastewater treatment	60 After Dec 1, 22 share residual profit 43%
Mana Patanakarn Company Limited	2/3 Moo14 Bangna Towers A 19th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Real estate and residential development	100
Advance Prefab Company Limited	2/3 Moo14 Bangna Towers A 19th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Pre-cast concrete production and distribution	100
Taste Maker Company Limited	2/3 Moo14 Bangna Towers A 19th Floors, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Restaurant, food business-fresh food, dried food, instant food, canned food, seasoning, all types of beverages	99

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

Subsidiary companies

1. Myanmar NWR Company Limited

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

2. Utility Business Alliance Company Limited

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

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

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

3. Mana Patanakarn Company Limited

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

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

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

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

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

4. Advance Prefab Company Limited

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

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

Revenue	2022 (Million Baht)	2021 (Million Baht)	2020 (Million Baht)
Sales of pre-cast concrete products	638	412	1,555
Construction of buildings and factories	193	67	284
Other revenue		6	10
Total revenue	831	485	1,849

5. Taste Maker Company Limited

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

Taste Maker operates its business as restaurants and food business in relation to fresh food, dried food, instant food, canned food, seasoning and all kinds of beverages. At present, Taste Maker operates 2 registered branches of its restaurants as follows:

1. By Bua, Lasalle Branch
2. L'oliva, Sukhumvit soi 36

6. Nawarat (Cambodia) Company Limited

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

Indirect subsidiary

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

Revenue	2022 (Million Baht)	2021 (Million Baht)	2020 (Million Baht)
Sales of concrete products	9	14	11
Construction of buildings and factories	-	-	1
Total revenue	9	14	12

Associated companies

1. C.I.N. Estate Company Limited

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

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

In September 2015, the Company sold the entire investment in C.I.N. Estate, totaling 999,997 shares in the amount of 160 Million Baht to Mana Patanakarn Company Limited, the Company's subsidiary. Since the Company still has a significant influence on the proportion of investments in the associated company, such investments are still categorized as an investment in the Associated Companies in the consolidated financial statements.

Joint ventures

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

As at December 31, 2021 in preparing the Company's financial statements, the Company recognized the list of assets, liabilities, revenues and expenses of the joint ventures with the co-investment rate of more than 30 percent according to the investment proportions in such joint ventures.

1. NTA Joint Venture

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

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

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

As at 31 December 2022, NTA Joint Venture partially completed the project equal to 76.96 percent with a backlog of 840.47 Million Baht.

2. NCREC Joint Venture

On July 15, 2019, NCREC Joint Venture was established among the following parties;

Co-venturers	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	51
China Railway Number 10 (Thailand) Co., Ltd.	49

The purpose of this joint venture is to participate in the Office of the National Water Resources bidding for the construction office building at Bang Talat, Pakkred, Nonthaburi, with the project value of 670 Million Baht (excluding VAT). The construction period will be 540 days (commenced on October 1, 2019 and ending on March 24, 2021).

As at 31 December 2022, NCREC Joint Venture partially completed the project equal to 93.43 percent with a backlog of 44.02 Million Baht.

3. TN Joint Venture

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

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

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

As at 31 December 2022, TN Joint Venture partially completed the project equal to 50.37 percent with a backlog of 4,505.26 Million Baht.

4. TN - CEI Joint Venture

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

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

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

As at 31 December 2021, the joint venture, partially complete the project equal 3.63 percent with a backlog of 607.13 Million Baht.

5. NWR-AVP Joint Venture

On March 29, 2021, CAN Joint Venture was established among the following parties;

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

The purpose of this joint venture is to participate in the Construction of the Connected way to connect the Skywalk between Chulabhorn Hospital and Lak Si Station, with the project value of 222.64 Million Baht (excluding VAT). The construction period will be 240 days (commenced on March 31, 2021 and ending on January 21, 2022).

As at 31 December 2022, CAN Joint Venture partially completed the project equal to 93.52 percent with a backlog of 14.42 Million Baht.

6. CAN Joint Venture

On March 25, 2021, CAN Joint Venture was established among the following parties;

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	30
A.S. Associated Engineering (1994) Co., Ltd.	30
China State Construction Engineering Corporation Limited	40

The purpose of this joint venture is to participate in the Project between the Government of the Kingdom of Thailand and the Government of the People's Republic of China for development of high-speed rail systems to connect regions Bangkok-Nong Khai, with the project value of 10,771.36 Million Baht (excluding VAT). The construction period will be 1,080 days (commenced on August 30, 2021 and ending on August 13, 2024).

As at 31 December 2022, CAN Joint Venture partially completed the project equal to 12.21 percent with a backlog of 9,456.38 Million Baht.

7. ITD-NWR Joint Venture

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

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

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

As at 31 December 2022, ITD-NWR Joint Venture partially completed the project equal to 5.22 percent with a backlog of 3,187.93 Million Baht.

8. Italianthai-Nawarat Joint Venture

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

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

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

As at 31 December 2022, Italianthai-Nawarat Joint Venture partially completed the project equal to 3.38 percent with a backlog of 3,624.83 Million Baht.

9. NTH Joint Venture

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

Co- ventures	Shareholding (percentage)
Nawarat Patanakarn Public Company Limited	53.00
Thai Slurry Seal Company Limited	23.50
Hatyai Rueang Chai Construction Partnership Limited	23.50

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

As at 31 December 2021, NTH Joint partially completed equal to 21.37 percent with a backlog of 1,304.95 Million Baht

10. ITD-NWR Joint Venture

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

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

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

As at 31 December 2021, ITD-NWR Joint Venture is not doing construction with a backlog of 24,822.43 Million Baht.

1.3.4 Shareholders

Shareholding structure

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

Rank	List of shareholders	Nationality	As of December 30, 2022	
			Number of shares	%
1.	Mr. Polpat Karnasuta	Thai	264,910,285	10.246
2.	Thai NVDR Company Limited	Thai	85,218,038	3.296
3.	Mr. Pattaranat Yanakornmtana pun	Thai	43,954,700	1.700
4.	Mr.Ratchaphon Napanopparatkaew	Thai	31,635,635	1.224
5.	Mr. Siraprasert Jirapornprapa	Thai	25,534,200	0.988
6.	Mr. Jiradej Jogwattanasilkul	Thai	22,000,000	0.851
7.	Mr. Krid Charoonsrirud	Thai	20,370,000	0.788
8.	Mr. Wason Tanteerapan	Thai	20,000,000	0.774
9.	Mr. Suwat Lertpanyarot	Thai	17,792,100	0.688
10.	Mr. Vorapoj Srimahachota	Thai	16,499,182	0.638
11.	Other Shareholders		2,037,567,011	78.807
Total			2,585,481,151	100.000

1.4 Registered and Paid-up Capital

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

1.5 Other Securities

In 2022, the Company has issued and offered 500,000 units of debentures no. 1/2022. (More details can be found on 1.1.3 Use of Proceeds from Fundraising Activities)

1.6 Dividend Payment Policy

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

2. Risk Management

2.1 Risk Management Policy

2.1 Risk Management Policy

Risk Management Policy, The Company give the highest priority to the risk management system that helps the Company to provide the potential problem and prepare for solving the problem and migrate risks and losses including the success. This Action results in sustained and continuous growth for the highest stakeholders. In this regard, the Board of Directors prepared risk management system policy by in posing significant procedure and role and responsibility in are function the shall be enforced to the management and all employees in www.nawarat.co.th.

The company focuses on the Risk Management System as a process that allows organizations to anticipate problems in advance. and prepare preventive measures Reduce the chance of loss and increase the chance of success, resulting in the organization's sustainable and continual growth. for the best interests of the stakeholders

2.2 Risk Management plans

In 2022, the Risk Management Committee has set the specific working group. which consists of executives from various parties involved including Operation Department, Finance Department, Marketing Department Management Department New Business and Planning

Strategy and Internal Audit Department to make risk management plan

2.3 Risk Factors

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

1. Economic situation and growth rate. The construction business directly relates to the country's economic situation and economic growth rate. The Company's operation has been inevitably affected by the recession. However, the Company has the ability to acquire various types of project which help diversified risks and minimized potential damage that might occurred. The economic situation has improved over a short period resulting in a little increase in the Company's expansion rate. However, the downturn had finally made a comeback. Thus, the Company has focused to acquire works in the field it exceptionally expertized with having fewer competitors in order to survive in the industry. That includes works such as Jacking Pipes, Underground Tunnel and Sewage System. In addition, the Company has become

interested in tendering for more foreign projects either in the form of the Company individually or in form of a joint-venture company. However, dealing with those in private sectors is risky in terms of the employers' liquidity such as a delay in payment; as a result, more precaution must be taken in execution of various projects either domestic level or international level. At present, the Company focuses on domestic works only, after the 100 percent of the construction of a thermal power plant awarded by Electrical Authority of Cambodia, the project named Onshore Civil Work of 150MW Coal Fired Power Plant at Stung Hav, Sihanoukville, Kingdom of Cambodia, with the project value of 20.87 Million USD (approximately 681 Million Baht), has now completed.

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

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

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

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

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

Year 2022

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

Year 2021

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

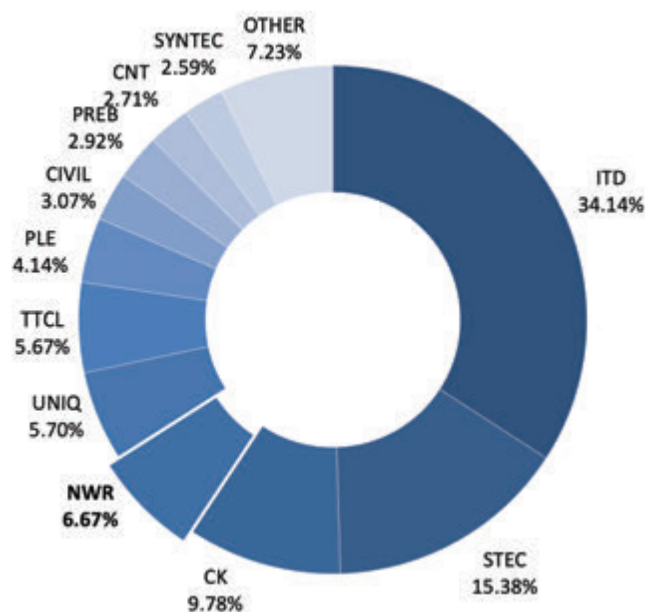
Year 2020

Private sectors	11	percent of total revenue
Government sectors	89	percent of total revenue

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

From the ranking of construction companies listed on the Stock Exchange of Thailand in the year 2022 which having revenue more than 5,000 Million Baht per year, the Company is ranked in 4th out of 11 companies with 6.67 percent market share.

Market share of construction companies listed on the Stock Exchange of Thailand in the year 2022



6. Capital and interest rates. The construction business requires high working capital, especially for projects with high investment in machinery. Therefore, if the Company faces the difficulty in finding sources of financial support, the project operation can be obstructed. Thus, the Company has obtaining more loans from commercial banks and other financial institutions in order to sufficiently support each project and to reserve for the expansion of the Company's works. Also, to acquire more liquidity, the Company has issued the three-year debentures for using in investments and as its working capital. The issuance of debentures and offering them for sale with a fixed interest rate enables the Company to explicitly realize its financial cost. However, the risk from other types of loan interest rates with potential fluctuation may affect the Company's operation and cash flow, the Company does not use derivative financial instruments to hedge such risks.

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

1. Fixed interest rate, the loans from financial institutions under lease agreements with 36 and 48 months period, with the average flat interest rate of 3.56 percent per year. As of December 31, 2022, the Company's total debt was equal to 72 Million Baht and the total debt of the Company's group was equal to 83 Million Baht.
2. Adjustable interest rate based on the Minimum Loan Rate (MLR) or Minimum Overdraft Rate (MOR) of commercial banks as the lenders, which MLR is currently equal to 5.75 percent per year and MOR is 6.345 per year. As of December 31, 2022, the loan amount of the Company itself was equal to 5,898 Million Baht and the total loan amount of the Company's group was equal to 6,711 Million Baht.

As of December 31, 2021, the Company has no outstanding on debentures or bill of exchange because the Company has redeemed the debenture in the amount of 1,720.10 Million Baht on August 28, 2020. The mentioned debenture has been paid in full amount. At the present, the Company does not issue any debenture.

7. The risk of being unable to meet the needs of the real estate customers. For the past 5 years, the Company has expanded its business in the field of real estate development investment through joint venture with other developers in three projects. However, at present the Company is, by itself, operating 2 projects namely Neo De Siam and Villa Baranee which are low-rise housing projects. The Company has at all times received good response from customers. Nevertheless, if the market is fluctuated, the Company would engage a marketing researcher to help in decision making before investment in any project, in order to reduce the risk of such investments.

(Million Baht)

	2022	2021	2020
Revenue from construction	7,729	9,889	7,729
Revenue from real estate development	339	689	399
Revenue with Revenue from construction (%)	5.16	6.97	5.16

8. Joint Ventures' ability or inability to comply with Joint Venture agreements. In some cases, the Company is obliged to get into bidding under the name of "Joint Venture", working hand in hand with other Joint Venture companies. However, whether working in such form will become successful or not depends on both the abilities of the Company itself and those of other Joint Venture companies. If the other parties happen to face problems whether in term of financial or operational or in other words if they could not perform their duties in accordance with the Joint Venture contracts, all parties involved will be suffered bad effects from such situation. However, if they are able to tackle the problem well enough and continue working together, there will not be much effect to the Company. On the other hand, in case their problems could not be solved, the Company may have to help them solving their problem by putting more investment money into the Project to sustain the operation if their problem is related to financial issue, or by sending an expert to help if they are facing operation difficulty. Previously, the Company has never faced any problems in working with any other parties on behalf of "Joint Venture".

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

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

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

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

1. Risk management will be practiced as an organizational culture in which all employees have to learn, understand, recognize its importance, and continually adopt it.
 2. Risk management will be a single-standard process for the whole company.
 3. Risk management will be regarded as a tool for assisting the Company's business operation to achieve the goals according to its objectives.
9. Ability in maintaining Net Debt to Equity ratio (Net D/E ratio) under the Conditions of the Long-Term Loan Agreements between the Company and the Bank in accordance with the Conditions of the Long-Term Loan Agreements between the Company and the Bank in the amount of 500 Million Baht and 800 Million Baht respectively, the Company is required to maintain its Net Debt to Equity ratio at the end of each fiscal quarter and fiscal year according to its consolidated financial statements reviewed or audited by the auditor at the rate not more than 2.25:1 (Two point Two Five: One).

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

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

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

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

In the year 2021, the Company has interest coverage ratio of 3.51 and debt service coverage ratio of 0.21, while the interest coverage ratio was -1.39 and debt service coverage ratio was -0.71 in the year 2019. The ratio reflected that the Company has received higher cash flows from business operation. As a result, the Company was able to pay for the interest and other obligations, although the ability was considered at a very low level. Therefore, the Company needs to accelerate the work to complete within the schedule, receive the due payment from account receivables without delay, and accelerate the concrete production in order to be completed and be delivered on time.

10. Ability to pay interest And ability to pay obligations, the company has an interest ability ratio of 2.79 (Year 2022), -1.39 (Year 2021) and 3.51 (Year 2020), with an ability to pay debt obligations equal to 0.15 (Year 2022), -0.82. (Year 2021) and 0.21 (Year 2020) shows that the company does not have enough cash from operating activities to pay interest and various obligations. Even in the year 2022, the performance will be slightly better. But still not enough The company still has to accelerate the performance to meet the set goals. To solve the problem of delayed payment from trade accounts receivable, including the need to accelerate the production of concrete products in order to be delivered.

The company must be careful to maintain the company's liquidity at a level that will not cause operational problems. Because some construction projects have conditions in the contract stating that each delivery, types of work and proportion. As a result, the delivery of work cannot be delivered every month. It is necessary to wait for the work to be completed as specified in the contract. Finished work and awaiting delivery It will appear in the list of unpaid income. In addition, government projects If there is any modifi-

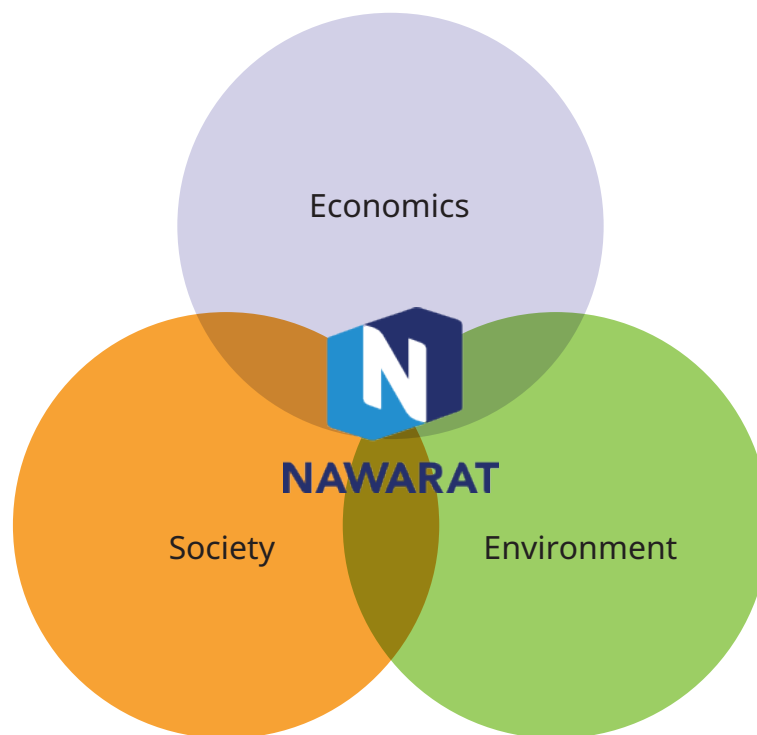
cation of the construction drawings or any item changes affecting the contract A contract amendment is required first. which takes quite a long time When the amendment of the contract is completed in order to be able to withdraw money for the work This work awaiting withdrawal It will also be listed as Unbilled Income.

In this regard, both long-term loan agreements 2 such contracts There are certain practices and limitations such as maintaining the net debt to equity ratio according to the consolidated financial statements at the end of each quarter and at the end of each fiscal year not exceeding 3.25:1. Unless the lender bank considers that the dividend payment Does not affect the ability to pay debts of the company.

3. Driving Business Towards Sustainability

3.1 Sustainability Policy

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



Economic Aspect

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

Social Aspect

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

Environmental Aspect

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

Preparing Report

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

The Company has constantly prepared an annual sustainability development report for the sixth year in a row, with an intended to disclose significant information including policy, strategy, sustainable development guideline, and the overall operation regarding the corporate governance, economic, social, and environmental aspects. The content and framework of the sustainability development report for the period during January 1, 2021 – December 31, 2021 shall cover the material issues which affect the sustainable business operation of the Company.

Reporting Guidelines

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

Reporting Scope

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

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

Information enquiry

For any enquiries or further information, please contact:

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Nawarat Patanakarn Public Company Limited

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Stakeholders' Engagement

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

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

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

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

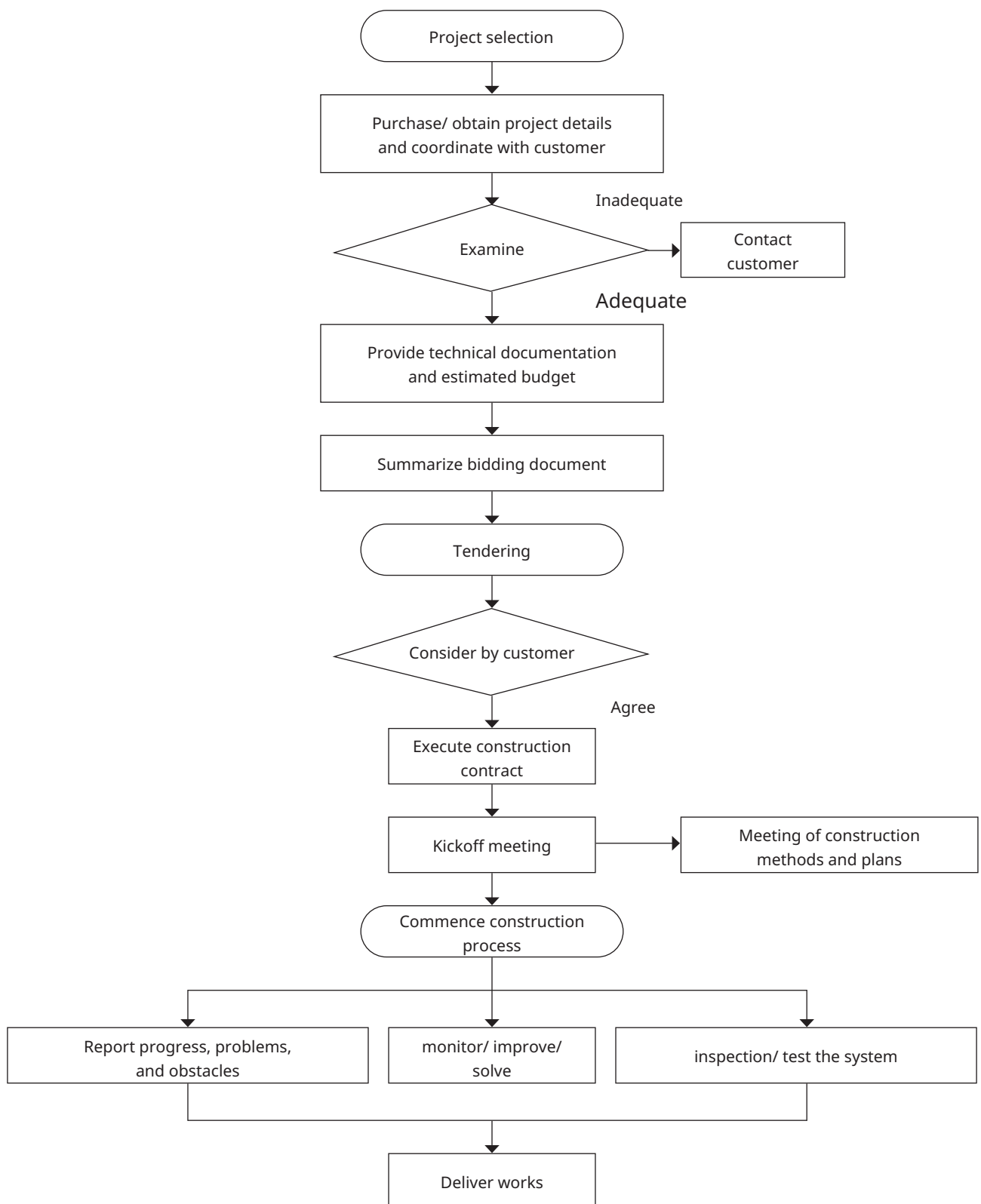
Stakeholders	Performance Framework	Expectation	Response	Outcome
Communities, Society, and Environment	<ol style="list-style-type: none"> 1. Hosting activities for communities and society 2. Having regular meeting with local communities in person, including indirect stakeholders 3. Providing communication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

Value Chain Analysis

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

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

Process of Construction Project



Materiality and Stakeholder Assessment

Materiality assessment process

The materiality assessment process for the year 2021, the Company organized the meeting of functional committee to identify and prioritize the sustainability issues. The outcome has been analyzed and assessed with consideration of the impact on the Company's sustainable development and the expectation level of stakeholders, both inside and outside the organization. The assessment was developed based on the procedure of Global Reporting Initiatives Guideline as follows;

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

Material Issues Evaluation Result

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



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

3.3 Environmental Aspect of Sustainability Management

3.3.1 Environmental Policy and Practice

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

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

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

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

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

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

3.3.2 Environmental Operations Management

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

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

Energy and Greenhouse Gas Management

Electricity Usage

The Company has managed electricity usage at headquarter by setting up a short-term goal in the year 2022 to reduce greenhouse gas emission not to exceed 250 tons of CO₂. The Company has successfully achieved the goal with the lower electricity usage rate which could reduce the Company's expenditure. However, the Company did not achieve the target goal as mentioned, due to the office expansion and renovation in year 2022.

Detail	2019	2020	2021	2022
Electricity usage (Kw/h)	530,781.01	459,901.01	474,842.63	543,223.12
Electricity cost (Baht)	3,123,646.24	2,706,517.44	2,794,448.86	3,325,966.64
Greenhouse gas emission (Tons of CO ₂)	280.31	242.87	250.76	259.87

Renewable Energy Consumption

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

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



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

Water Management

Water Usage

The Company has implemented water management with wastewater treatment approach and reused the water at working unit N.081: materials and unused equipment center. The water has been reused for a damp down surface in the site to prevent dust from spreading, and has been used with nearby agriculture activities, especially in the drought period. This practice has been continuously conducted without a record. In the year 2022 and afterwards, the data collection will be recorded.



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

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

Wastewater management

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

1. Provided a ready-to-install wastewater treatment tanks or wastewater treatment pond systems at the construction sites in order to purify the wastewater properly before discharging to public water resources.

In the case of using septic systems or anaerobic septic tank, the installation must have complied with various regulations, for instance, installing the system at least 30 meters away from public water resources, and the overflowing of wastewater is required to seep in construction area only so that the project gutters or public water resources will be protected from the overflowing.

Sources of the wastewater can be categorized as follows:

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



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

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



Image: drainage way and sedimentation tank

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



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

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



Image: inspecting the equipment in wastewater treatment system

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

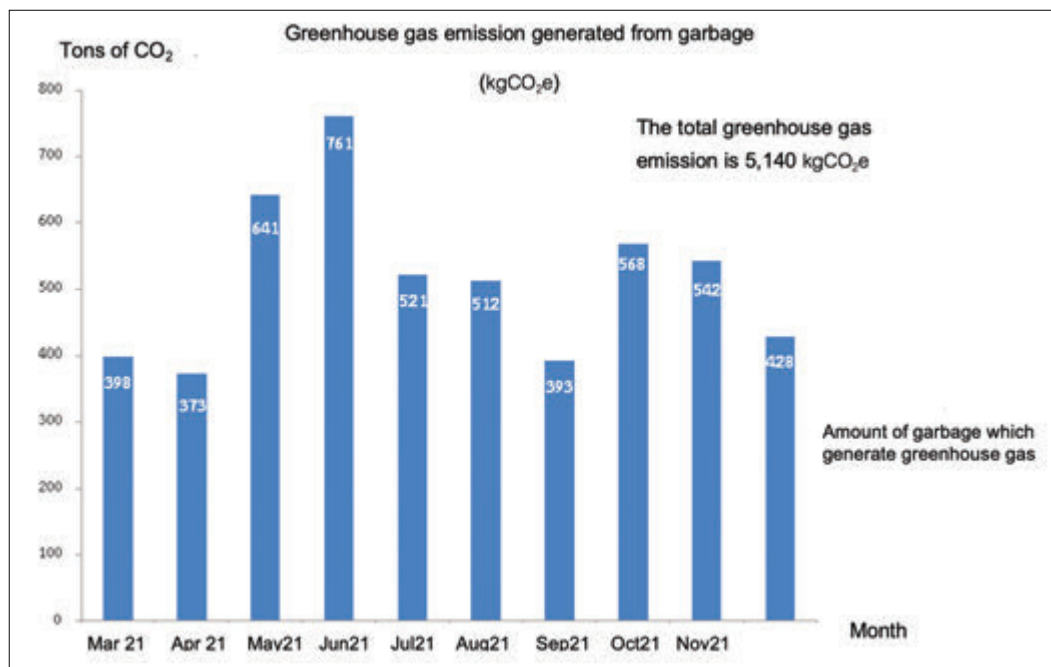
No.	Activity	Frequency
1	Remove waste food and dirt from the grease trap	Once a week
2	Clean the grease trap tanks	Once a year
3	Pump the water from sludge scraper or sedimentation tanks	Once in 1-3 months
4	Clean the treatment tanks	Once a year
5	Clean the drainage pipe	Once in 1-3 months
6	Empty septic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

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

Waste and Garbage Management

Garbage Management

The Company has implemented garbage management through the program called sorting before drop and has set a short-term goal to reduce the general waste and increase recyclable waste within the Company. The target performance is to reduce 10 percent of general waste and increase 10 percent of recyclable waste. The program result reveals that the total garbage from March to December is 6,098 Kilograms, which consists of general waste in the amount of 5,995 Kilograms or equivalent to 98 percent of the total garbage, the recyclable waste is 103 Kilograms or equivalent to 2 percent of total garbage. The high number of general waste was generated from the employees' meals in the headquarter. The highest volume of total garbage was generated from the expired documents and office supplies, including the garbage from renovation and office space expansion.



From the figure, greenhouse gas has been emitted from the garbage by the headquarters' employees activities. From the period of March to December, the total number of greenhouse gas emission is 5,140 kgCO₂e. The highest volume is in June which reached 761 kgCO₂e.

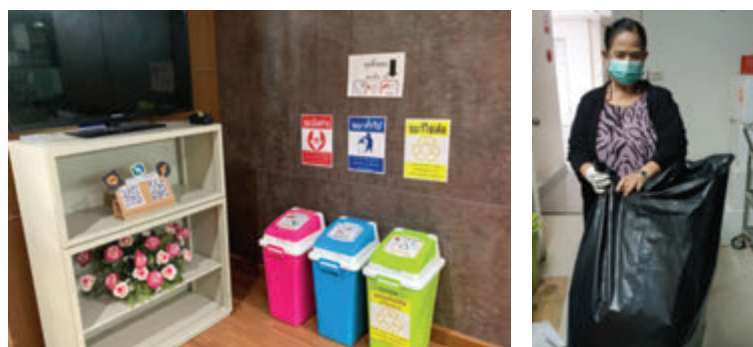


Image: waste management at the headquarter

Waste/ garbage management system

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

1. Implementation of 3R approach within the Company, namely:
 - Reduce: reduce materials and products utilization to reduce the amount of waste.
 - Reuse: reuse materials and products which are reusable.
 - Recycle: bring back and process materials and products which already been used to make them useable again, including having the right method of trash disposal.
2. Waste separation has been advertised through an awareness and education campaign which described the types of waste as follows:
 - General waste means the leftovers or unwanted stuff arising from general activities of the Company, which are possible for bury in a landfill without any damage to the environment such as paper scraps, cloth residues, food, product, plastic bags, food packages, and foam boxes for containing food.
 - Recyclable waste means the waste that is still usable such as papers, paper boxes, cans, glass residues, and metal residues.
 - Dangerous waste means poisonous garbage or chemical containers such as light bulbs, batteries, oil-stained clothes, used oil tanks, paint cans, and plastic chemical cans.
 - Hard-degradable waste means unwanted garbage left from the Company's operation such as cement residues, concrete waste, and steel scraps.

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

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



Image: waste management by separating the type of waste

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



Image: collecting material residues and garbage from the construction sites

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



Image: collecting the leftover construction materials at construction sites

Environmental Management Measures

Air pollution management

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

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



Image: engine inspection

3 To provide personal protection equipment for workers who work in air pollution generating areas.

4 To install a fall protection or safety nets to catch construction materials that may fall from overhead construction activities in order to prevent such materials from spreading and for safety reasons.



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

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



Image: washing vehicle wheels

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



Image: the truck is covered by canvas

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



Image: construction materials and material residues are covered by canvas

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



Image: installation solid fences around construction site

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



Image: cleaning up public area around construction site

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



Image: damping down surface with water

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



Image: dust proof fences

Noise pollution management

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

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



Image: public relations activities

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



Image: installation of the solid fences around construction area

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

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

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

Analytical Test Report

Client: บริษัท ไทย อีโคโนมิก จำกัด (THAI ECON CO., LTD.)

Project: ตรวจสอบคุณภาพน้ำดื่มจากอาคาร Bangna Tower A

Location: Bangna Tower A, Bangna Substation, Bangkok

Sampling Date: 15/10/2021

Report No: 101/2021

Parameter	Unit	Result	Standard	Remarks
pH		7.5	6.5 - 8.5	OK
Total Dissolved Solids (TDS)	mg/L	120	500	OK
Calcium (Ca)	mg/L	10	100	OK
Magnesium (Mg)	mg/L	5	50	OK
Hardness (Total)	mg/L	15	150	OK
Chloride (Cl)	mg/L	10	100	OK
Sulfate (SO4)	mg/L	5	50	OK
Fluoride (F)	mg/L	0.5	1.0	OK
Lead (Pb)	mg/L	0.01	0.05	OK
Copper (Cu)	mg/L	0.01	0.05	OK
Iron (Fe)	mg/L	0.1	0.3	OK
Manganese (Mn)	mg/L	0.01	0.05	OK
Nitrate (NO3)	mg/L	10	50	OK
Nitrite (NO2)	mg/L	0.01	0.05	OK
Ammonia (NH3)	mg/L	0.01	0.05	OK
Free Chlorine (Cl2)	mg/L	0.5	1.0	OK
Total Chlorine (Cl2)	mg/L	0.5	1.0	OK
Free Chlorine (Cl2)	mg/L	0.5	1.0	OK
Total Chlorine (Cl2)	mg/L	0.5	1.0	OK

Analyst: B. Pongthorn

Signature: B. Pongthorn

Stamp: B. Pongthorn

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



Image: inspection at Bangna Tower A building in the year 2021

Vibration Management

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

Green Activities

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

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



Image: “Green Way” journal

Environmental Awareness Training

The Company is committed to support the arrangement of environmental awareness training for employees at the headquarter and the Company's site. According to the situation of the Coronavirus outbreak (COVID-19), the physical training cannot perform as expected. Thus, the online training has been placed as follows:

- Environmental system assessment (ISO14001 Environmental Aspects Assessment); and
- Environmental awareness.

3.4 Society Aspect of Sustainability Management

3.4.1 Society Policy and Practice

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

3.4.2 Operating result in relation to society

Responsibility for Employees

Equitable Treatment to Employees

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

Fair and Equal Employment

Supporting and Improving Quality of Life for Persons with Disabilities

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

In 2022, the Company complied with the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007), by hiring 26 persons with disabilities or equivalent to the ratio of one disabled person to every 100 non-disabled employees (1:100) according to the law.

In 2022, the Company had no violation or dispute regarding the unfair treatment of employees and discrimination regarding the employment.

Allocation and Management of Employees' Benefits

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

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

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

Welfare Allocated for Employees

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

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

Employees Development

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

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

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

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

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

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

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

Training hours in the year 2022	
The goal for average training hours (hour / person / year)	8 / person / year
The actual average training hours (hour / person / year)	13 / person / year

Information of training programs according to the training plan for the year 2022				
รายละเอียด	Quality, occupational health and safety	Corporate governance and business code of conduct	Development of professional capability	Leadership and management
Courses	28	13	399	13
Persons	725	245	1,635	443
Hours	5,075	514	16,867	3,586

ample of training courses in the year 2022

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

Respect for Human Rights

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

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

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

Table of foreign labors as of 31st December 2022

	Details	Number of Person	%
Nationality	Cambodian	65	21
	Burmese	245	79
Total	160	310	100

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

- Social securities (outside working hour injury/on-the-job injury)
- Group accident insurance
- Complimentary accommodation
- Complimentary electricity and water supply not exceeding the amount limited by the Company
- Minimum daily wages at Baht 313-336 or more, depending on work performance
- Worker uniform
- Occupational health system & safety such as protective equipment
- Trainings
- Rights to give opinions and suggestions on work
- Position promotion

The Company continually monitors that all workers are treated in accordance with human rights. In 2021, no report or complaint about violation of human rights was filed.

Employee Code of Conduct

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

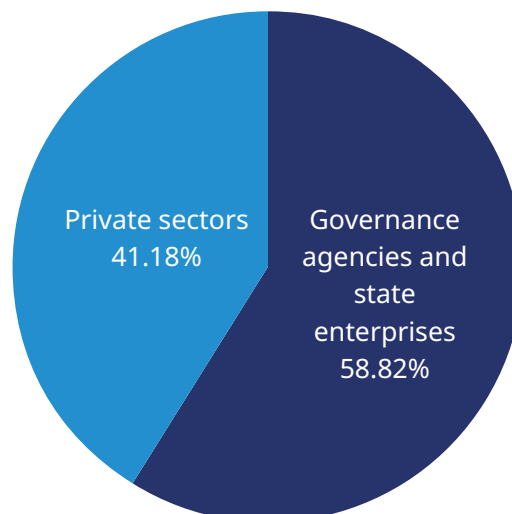
The Company continually monitors that all workers are complying with the Employee Code of Conduct. In 2021, no report on violation or non-compliance with the Employee Code of Conduct was filed.

Responsibility for Customers

Customers Relations Management and Customer's Satisfaction Practical Guideline

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

The Ratio of the Company's Customers in the Year 2022



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

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

Survey Result of Customers' Satisfaction in the Year 2022

No.	Construction sites	Factories	Average
1	93.98%	93.29%	93.64%
2	94.68%	95.46%	95.07%
Total			94.36%

The Company has always maintained a good relationship with customers, which is reflected in the result of the customers' satisfaction survey. In 2022, the result of customers' satisfaction survey was higher than the Company goal or equivalent to 94.36 percent.

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

Effective Project Management

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

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

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

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

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

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

Occupational safety

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

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

Occupational Health and Safety Policy

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

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

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

Core Elements of Occupational Safety

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

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

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

1. Measure at Construction Site and Field

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



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

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

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



3. Measure transportation service for workers

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

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



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



Training Information of Occupational Health and Safety

Number of Safety Training Hours

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

List of Training Course

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

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

Occupational Accident Rate/ Data

To achieve safety operation objectives, the Company set the goal for safety operation by lowering accident rates not to exceed 1.3 times/per 100 persons/per year. To align with the Company's goal for safety operation mentioned previously, the Company has monitored and summarized accidents in the below table.

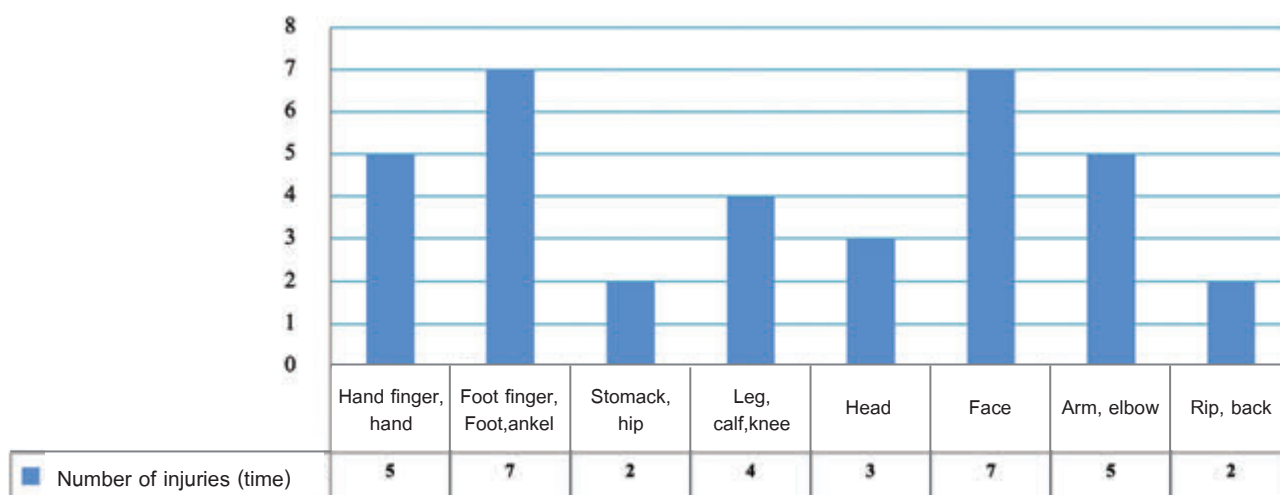
No.	Months	Total Accidents				
		Total Employees	Accident	Average (Time)	Accumulated Average	Accumulated
		Person	(time)	100 persons / month	100 persons / year	Not exceeding
1	January	2,481	1	0.04	0.04	0.1
2	February	2,429	2	0.08	0.12	0.2
3	March	2,426	1	0.04	0.16	0.3
4	April	2,375	0	0.00	0.16	0.4
5	May	2,346	3	0.13	0.29	0.5
6	June	2,347	6	0.26	0.55	0.6
7	July	2,367	5	0.21	0.76	0.7
8	August	2,416	3	0.12	0.88	0.8
9	September	2,500	4	0.16	1.04	0.9
10	October	2,496	2	0.08	1.12	1

No.	Months	Total Accidents				
		Total Employees	Accident	Average (Time)	Accumulated Average	Accumulated
		Person	(time)	100 persons / month	100 persons / year	Not exceeding
11	November	2,514	5	0.20	1.32	1.1
12	December	2,517	1	0.04	1.36	1.2
Total	Average number of employees= 2,435 person/years		33	1.36	1.36	1.2

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

Total number of accidents (times)	115	79	38	36	35	33	33
Total number of lost working days (days)	770	529	635	516	322	485	376
Average number of employees (person)	3,391	3,254	2,731	2,541	2,450	2,521	2,435

Statistic Categorized by the Injured Part of Body According to the Accidents in the Year 2021



Number of Safety Training Hours for Safety Officers (GRI)

Total number of safety officers (person)	Number of safety officers who attend all training courses (person)	Total training hours (hours)	Average hours per safety officer who attend training courses (hours/person/year)
100	104	2,243	22.43

Corporate Social and Environmental responsibility

Operation relating to corporate social and environmental responsibility

In 2021, the Company organized activities in relation to creation of good relationships with communities as well as developing communities and societies, the Company aims to improve the quality of life in the communities. The Company also provided medical support and helped employees during the outbreak of the coronavirus pandemic (Covid-19). As a result, the Company would be able to grow simultaneously with societies and communities.

According to the resolution of the meeting, the Company agreed to support projects and activities in relation to social and environmental responsibility in the year 2022 as follows:

In-Process: Corporate Social Responsibility

1. “Go Green with NAWARAT” project

The Corporate Social and Environmental Responsibility Committee recognized the environmental problem and agree to arranged “Go Green with NAWARAT” project for the Company's employees and its subsidiaries' employees since 2020. The objective of this project is to minimize waste problem and reduce global warming in accordance with the Company's Social and Environmental Responsibility Policy.



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

The objectives of the project

- To raise social and environmental responsibility awareness towards employees at all levels
- To support the Company's Social and Environmental Responsibility Policy
- To encourage employees' participation in helping society reduce plastic waste in daily life and adapting waste management at home
- To prepare for the future assessment regarding social and environmental responsibility issues
- To reduce global warming and build awareness of environmental protection towards the Company's employees
- To be consistent with the Company's future sustainability development report in the GHG Emissions category

CSR – After Process

1. The Fourth Year of Unused Calendars Donation Project

The Company's headquarter has internally communicated and promoted to employees of the Company and its subsidiaries to collect their old desk calendars for donation, which will be reproduced as a Braille book for blind person accordingly. The CSR working team has supported the activity to be hosted annually. Therefore, the CSR working team traveled to donate those old desk calendars at Foundation for the Blind in Thailand under the Royal Patronage on 22nd March 2022, which could be counted as the fourth consecutive year of this activity.



Image: Donation of old desk calendars to Foundation for the Blind in Thailand under the Royal Patronage in the year 2022

2. Give Blood = Give Life Project

The Company together with Teo Hong Silom Co., Ltd. have sponsored the project mutually. The project was initiated by Kavintip Karnasuta and friends who are the 4th year students of Chulalongkorn University. The project was hosted on 23rd March 2023.

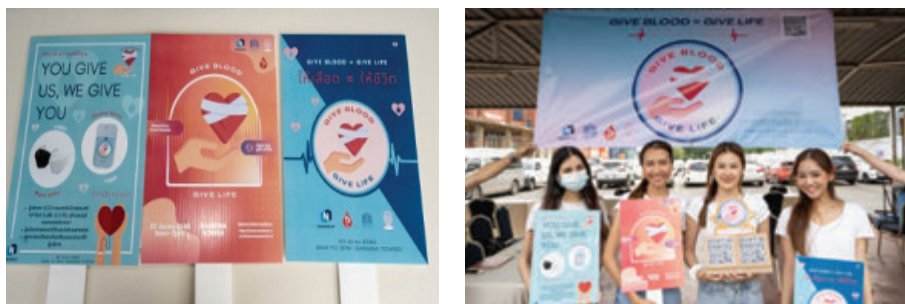


Image: Give Blood = Give Life activity

3. Active Beach Cleaning Activity

Construction project of JW Marriott Khao Lak located in Phang-nga province, Thailand, together with the engagement from communities and tourists have collaboratively cleaned the beach on 30th – 31st March 2022.



Image: Active Beach Cleaning Activity

4. Giving Food Boxes for Victims of a fire at Bon Kai Community

The project has been done by construction project of underground walkway tunnels with open-cut and pipe roof method (N. 536), construction project of road underpass connecting expressway (EXAT) and One Bangkok Project, including construction project of a tollgate and underground water tank under Witthayu road to Rama 4 road (N.558). The project was held on 22nd June 2022.



Image: Delivering food boxes for victims of the fire at Bon Kai Community

5. Installing Convex Mirror for the Blind Spot at the Project's Exit Point

Construction project of the 3rd Runway, Taxiway D Extension, and Perimeter Taxiway at Suvarnabhumi International Airport (N.543), has installed a convex mirror for the blind spot at the project's exit point in order to reduce accidents since 28th January 2022.



Image: Installing a convex mirror at the blind spot at the project's exit point

6. Giving Sports Equipment to Tawaklongtrong School, Samut Prakan Province

Construction project of the 3rd Runway, Taxiway D Extension, and Perimeter Taxiway at Suvarnabhumi International Airport (N.543), has given sport equipment to Tawaklongtrong School, Samut Prakan Province, in order to promote students' health supporting equipment for their work-out activity. The sports equipment have been delivered on 27th July 2022.



Image: Giving sports equipment at Tawaklongtrong School, Samut Prakan Province

7. Roof and Gutter Restoration, including Electrical System Improvement at Por Pu Chaimongkol Shrine (Building Kor. 1-2)

The project has been done by construction project of underground walkway tunnels with open-cut and pipe roof method (N. 536), construction project of road underpass connecting expressway (EXAT), and One Bangkok Project, including construction project of a tollgate and underground water tank under Witthayu road to Rama 4 road (N.558). The working units have restored the roof and gutter, including improved electrical system at Por Pu Chaimongkol Shrine (Building Kor. 1-2) for the shrine's annual ceremony, the restoration was done on 24th – 25th August 2022.



Image: Roof and gutter restoration, including electrical system improvement at Por Pu Chaimongkol Shrine (Building Kor. 1-2)

8. Giving electric fans to Trang Airport at Trang Province

Construction project of the runway extension, drainage system, road at the fire station building and other components, including airport electrical system, railway tunnel, and fence, purchasing durable goods for the airport (N.568), has given electric fans to Trang Airport in order to enhance passenger's convenience. The event was held on 25th August 2022.



Image: Giving electric fans to Trang Airport at Trang Province

9. Giving Acrylic Roof Coating to Repair Building Kor. 1-2

In order to repair building Kor. 1-2 which has been affected by the construction of Bon Kai Community Housing Office, Acrylic roof coating has been given by construction project of underground walkway tunnels with open-cut and pipe roof method (N. 536), construction project of road underpass connecting expressway (EXAT) and One Bangkok Project, including construction project of a tollgate and underground water tank under Witthayu road to Rama 4 road (N.558). The activity was held on 26th August 2022.



Image: Delivering acrylic roof coating

10. Kathin Ceremony in 2022

On 5th September 2022, the Company by Mr. Polpat Kamasuta, Chief Executive Officer, along with employees of the Company, subsidiaries, and joint ventures, including local communities, held an annual Kathin ceremony at Pipit Prasat Sunthorn Temple (Lat Khwang Temple), Lad Khwang subdistrict, Ban Pho district, Chachoengsao.



Image: Kathin ceremony at Pipit Prasat Sunthorn Temple (Lat Khwang Temple)

11. Kathin Ceremony with Centaco (Thailand) Company Limited (Employer)

On 6th September 2022, construction project of structure and architecture of an animal feed mill at Hin Kong, Saraburi province (N.566), along with Centaco (Thailand) Company Limited (Employer), held Kathin ceremony at Huai Thong Lang Temple, Huai Khamin subdistrict, Nong Khae District, Saraburi province.



Image: Kathin ceremony with Centaco (Thailand) Company Limited (Employer)

12. Supporting the traffic pole installation at Khlong Bangkok Noi Bridge

On 28th November 2022, construction project of the underground walkway tunnels through Naphra Lan road, Bangkok province (N. 546), has supported the installation of traffic poles at Khlong Bangkok Noi Bridge.

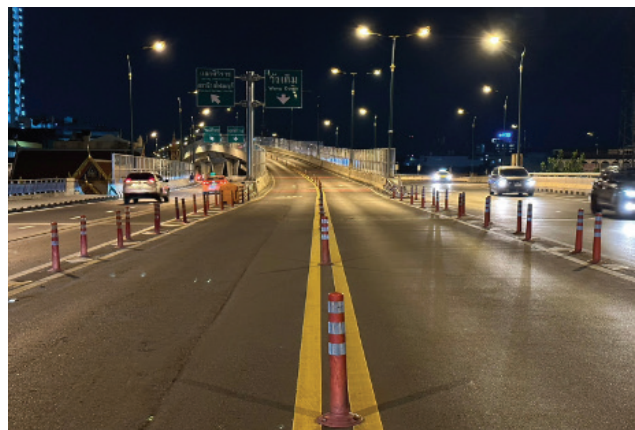


Image: The traffic poles installation at Khlong Noi Bridge

13. Kathin Ceremony with Almshouse

On 6th December 2022, construction project of structure and architecture of an animal feed mill at Hin Kong, Saraburi province (N.566), held Kathin ceremony and offered food to those who joined at Huai Thong Lang Temple, Huai Khamin subdistrict, Nong Khae District, Saraburi province.



Image: Kathin Ceremony with Almshouse

4. Management Discussion and Analysis

4.1 Financial Status and Operating Analysis

1. Summary of Global and Domestic Economic Situation

In 2020, the coronavirus (COVID-19) pandemic has evolved and spread to other countries around the world. As a result, the economy of each country has been highly impacted. Travel bans have been implemented in the last quarter of the year and the pandemic seemed to be under control accordingly. However, a new emerging phase or the second wave has begun across the globe. Therefore, many countries have to remain closing their border and denying travelers, even though they were almost ready to resume earlier.

At the end of the year, the United States presidential election was arranged. Nonetheless, the new leader has not made any significant action according to his policy yet as there were a protest against the election result and outbreak of coronavirus (COVID-19) at the same time.

The domestic economy has been impacted by the outbreak of coronavirus (COVID-19) as well. Many business activities were temporarily paused in order to control the spread of the pandemic, while some businesses needed to be closed permanently. The travel sector, which is the main country's revenue, has been impacted severely and other businesses within the country also faced the same situation.

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

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

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

2. Explanation on financial status and operating results

Summary of the company's financial position according to the consolidated financial statements as of 31 December 2022

As at December 31, 2022, the Company had total assets in the amount of 19,892.02 Million Baht, increased from the total assets as at December 31, 2021 in the amount of 2,814.47 84 Million Baht

Significant changes in assets:

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

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

The Company has guidelines in case of trade accounts receivable failing to pay within the specified timeframe. Interest will be charged on late payment amounts. By calculating from the due date of payment according to the conditions and adhere to the same standards for general trade receivables and trade accounts receivable from related companies But in the current economic situation The Company has waived interest collection from some trade receivables with slight late payment. Except in the case where there is a lawsuit to pay the debt The Company recorded an allowance for doubtful accounts for all those receivables with payment problems according to the Company's rules and policies.

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

(Unit: Million Baht)

Description	Allowance for doubtful accounts/ allowance for expected credit losses	Total debts	Within due	Within 12 months past due	Over 12 months past due
Trade receivables as at December 31, 2021	1,067.96	2,280.21	788.58	431.10	1,060.53
Trade receivables as at December 31, 2022	425.66	1,840.09	829.65	597.90	412.54
Increase (decrease)	(642.30)	(440.12)	41.07	166.80	(647.99)

3. Contract assets as at December 31, 2022 before deducting an allowance for expected credit losses amounting to 8,567.51 Million Baht, increased from December 31, 2021 in the amount of 1,476.04 Million Baht. The assets that emerged from the contract, are as follows:

(Unit: Million Baht)

	As at 31 Dec 2022	As at 31 Dec 2021	Increase (decrease)
Revenue not yet billed	7,614.62	4,454.33	1,876.79
Accrued revenues	92.26	70.44	(25.61)
Retentions payable	860.63	543.91	171.60
Total	8,567.51	5,068.68	2,022.78
<u>Less</u> Allowance for doubtful accounts/ allowance for expected credit losses	(2.48)	(2.48)	-
Total contract assets - net	8,565.03	5,066.20	2,022.78

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

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

Significant changes in liabilities:

1. Bank overdrafts and short-term loans as at December 31, 2022 amounting to 3,722.94 Million Baht, increased from December 31, 2021 in the amount of 759.67 Million Baht

Details of trades payable and other payables were as follows:

(Unit: Million Baht)

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

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

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

(Unit: Million Baht)

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

4. Bond, the balance as of December 31, 2022 was 492.81 Million baht. On November 9, 2022, the company issued and offered debentures No. 1/2022 to institutional investors and high net worth investors in the amount of 500 Million baht with a maturity of 2 years. Interest rate 6.90% per year. The details of the amount received are as follows:

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

1. Analysis of the operating results of the year 2022 compared to the year 2021 according to the consolidated financial statement

Description	Year 2022	Year 2021	Increase (decrease)	
			Amount	Percentage
1.1 Revenue from construction	11,970.72 MB	9,888.74 MB	2,081.98 MB	21.05
1.2 Cost of construction compared with revenue from construction	94.42 %	101.84%	-	(7.29)
1.3 Revenue from sales and services				
- Real estate development	415.59 MB	689.20 MB	(273.61) MB	(39.70)
- Concrete products and others	711.30 MB	509.44 MB	201.86 MB	39.62
1.4 Cost of sales and services compared with revenue from sales and services				
- Real estate development	84.38%	72.29%	-	16.72
- Concrete products and others	78.00%	89.55%	-	(12.90)
1.5 Sales and distribution expenses	83.79 MB	98.41 MB	(14.62) MB	(14.85)
1.6 Administrative expenses	566.01 MB	565.27 MB	0.74 MB	0.13
1.7 Loss in impairment	18.59 MB	29.83 MB	(11.24) MB	(37.68)
1.8 Financial expenses	283.73 MB	242.99 MB	40.74 MB	16.77

2. Operating results of the year 2022

Description	Year 2022	Year 2021
Profit (Loss) of the year attributable to shareholders' equity <u>according to the consolidated financial statement</u>	37.00 MB	(768.34) MB
Profit (Loss) of the year <u>according to the separate financial statement</u>	0.91 MB	(654.55) MB

3. Management discussion and analysis

For the operating results as at December 31, 2022, the Company and its subsidiaries had total revenues amounting to 13,239.88 Million Baht, divided into revenue from construction services of 11,970.721 Million Baht, revenue from sales and services of 1,126.89 Million Baht, and other revenues of 142.27 Million Baht. Compared to the year 2021, total revenues of the Company and its subsidiaries increased by 2,030.67 Million Baht or 18.12 percent, resulting from an increase in construction revenue in the amount of 2,081.98 Million Baht or 21.05 percent. On the other hand, sales and services revenue decreased in the amount of 71.75 Million Baht or 5.99 percent.

In 2022, the Company had a net profit of the year attributable to shareholders' equity amounting to 37.00 Million Baht. While in 2021, the Company had a net loss of the year attributable to shareholders' equity amounting to 768.34 Million Baht.

The Company recognized share of profits from investment in associated companies and joint ventures in the year 2022 amounting to 15.96 Million Baht, while in 2021, the Company recognized share of profits from the said transactions amounting to 7.00 Million Baht. Details of which were as follows:

	Investment proportion (Percentage)	Recognized Share of Profit (Loss) (Million Baht)	
		Year 2022	Year 2021
C.I.N. Estate Company Limited	40	15.96	7.00

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

3.1 Operating results for the year 2022

Construction business

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

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

Other businesses

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

1. Revenue from concrete products decreased in the year 2021 due to the ability to accelerate work in line with the delivery of construction sites and deliver the goods according to the plan
2. Processed steel business
3. Petrol business
4. Food business
5. The revenue from real estate development business has decreased from 2021 equal to 273.61 million baht or 39.70 percent and the Barani Residence project was sold out, leaving only a sample house. Mana Patanakarn Company Limited, which operates a real estate development business There are 2 new projects in the category of detached houses as follows:
 1. Barani Bliss Project Rangsit Klong Sam The project value is 1,275 million baht and is expected to open for sale in the third quarter of 2023.
 2. Barani Bliss Project (Rangsit-Wongwaen), Rangsit-Nakhon Nayok Road (Khlomg 5), project value 739 million baht, expected to open for sale in the fourth quarter of 2023.

Sales and distribution expenses

Compared with the year 2022, sales and distribution expenses of the year 2021 decreased 14.62 Million Baht, or approximately 14.85 percent. Details of sales and distribution expenses were as follows:

(Unit: Million Baht)

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

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

Administrative expenses

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

(Unit: million Baht)

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

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

Interest Expenses

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

(Unit: million Baht)

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

Due to the reimbursement of the performance of various projects has been delayed. while the company has fixed expenses Therefore, it is necessary to borrow money from financial institutions. and issuing debentures in the fourth quarter to increase liquidity This results in increased financial costs. But at the same time, Mana Pattanakarn Company Limited, which operates a real estate development business There is a decrease in finance costs due to reduced loan amounts.

Issuance and offering of debentures No. 1/2022

On November 9, 2022, the company issued and offered unsubordinated debentures. no collateral and has a debenture holder representative Offering to institutional investors and high net worth investors in the amount of 500,000 units, 1,000 baht per unit, total value of 500 million baht, 2 years maturity in full amount on November 9, 2024, interest rate of 6.90% per year, with the objective to use working capital Interest payment every 3 months. Interest payment for debentures in 2022 equals 5.01 million baht.

In accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to maintain Net Debt to Equity ratio at the rate of 2.5:1 at the end of the quarter and year-end period. Details are defined as follows:

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

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

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

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

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

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

3. Contract assets as at December 31, 2021 before deducting an allowance for expected credit losses amounting to 7,091.46 Million Baht, increased from December 31, 2020 in the amount of 2,022.78 Million Baht. The assets that emerged from the contract, are as follows:

(Unit: Million Baht)

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

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

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

4. Inventories as at December 31, 2021 amounting to 1,537.48 Million Baht, increased from December 31, 2020 by 641.83 Million Baht. The increased amount was from the pre-cast concrete product that waiting for handover to the buyers.

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

Significant changes in liabilities:

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

2. Trade payables and other payables as at December 31, 2021 amounting to 2,963.27 Million Baht, increased from December 31, 2020 in the amount of 721.32 Million Baht.

Details of trades payable and other payables were as follows:

(Unit: Million Baht)

	As at 31 Dec 2021	As at 31 Dec 2020	Increase (decrease)
Trade payables – related and non-related parties	2,552.09	1,807.03	745.06
Advance from – related and non-related parties	0.18	0.79	(0.61)
Other payables – related and non-related parties	60.41	100.55	(40.14)

(Unit: Million Baht)

	As at 31 Dec 2021	As at 31 Dec 2020	Increase (decrease)
Accrued expenses – related and non-related parties	350.59	333.58	17.01
Total trade payables and other payables	2,963.27	2,241.95	721.32

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

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

(Unit: Million Baht)

	As at 31 Dec 2021	As at 31 Dec 2020	Increase (decrease)
Current portion of long-term loans from banks	102.51	536.30	(433.79)
Long-term loans from banks, net of current portion	1,369.72	1,385.05	(15.33)
Total	1,472.23	1,921.35	(449.12)

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

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

2. Operating results of the year 2021

Description	Year 2021	Year 2020
Profit (Loss) of the year attributable to shareholders' equity <u>according to the consolidated financial statement</u>	(768.34) MB	(240.93) MB
Profit (Loss) of the year <u>according to the separate financial statement</u>	(654.55) MB	(307.96) MB

3. Management discussion and analysis

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

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

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

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

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

3.1 Operating results for the year 2021

Construction business

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

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

Other businesses

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

1. 1. Revenue from concrete products decreased in the year 2022 due to the ability to accelerate work in line with the delivery of construction sites and deliver the goods according to the plan
2. Processed steel business
3. Petrol business
4. Food business
5. The revenue from real estate development business has decreased from 2021 equal to 273.61 million baht or 39.70 percent and the Barani Residence project was sold out, leaving only a sample house. Mana Pattanakarn Company Limited, which operates a real estate development business There are 2 new projects in the category of detached houses as follows:

1. Barani Bliss Project Rangsit Klong Sam The project value is 1,275 million baht and is expected to open for sale in the third quarter of 2023.
2. Barani Bliss Project (Rangsit-Wongwaen), Rangsit-Nakhon Nayok Road (Khlomg 5), project value 739 million baht, expected to open for sale in the fourth quarter of 2023.

Sales and distribution expenses

Compared with the year 2022, sales and distribution expenses of the year 2021 decreased 14.62 Million Baht, or approximately 14.85 percent. Details of sales and distribution expenses were as follows:

(Unit: Million Baht)

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

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

Administrative expenses

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

(Unit: million Baht)

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

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

Record the loss in impairment

In 2020, the Company recorded the loss in impairment in the amount of 94 Million Baht, mainly due to the allowance of accounts receivable and the allowance of loans, which was projected according to the book value as follows:

(Unit: million Baht)

Name	Amount
Star Sapphire Hotel Co., Ltd.	91.17
A.S. Associated Engineering (1964) Co., Ltd.	9.84
Other revenues	12.76
Less Reversal of allowance for doubtful accounts	(19.53)
Total	94.24

3.2 Issuance and offering of 1,720.10 Million Baht debentures, including redemption of debentures on the maturity date

On August 28, 2017, the Company issued and offered 2,000,000 units of 3-year debenture at a par value of 1,000 Baht each, totaling 2,000 Million Baht with the maturity date of full redemption on August 28, 2020. The debentures bear a coupon rate of 4.50 percent per year. The purposes of debenture issuance were for investment, debentures repayment, and use as working capital. The debentures were sold in a total amount of 1,720.1 Million Baht. The total payment of coupon rate in 2020 was 50.90 Million Baht.

In accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to maintain Net Debt to Equity ratio at the rate of 2.5:1 at the end of the quarter and year-end period. Therefore, the Company organized the meeting of debenture holders on March 16, 2020 in order to seek for approval on the following agendas:

1. Revision of the definition of "Net Debt" from "the total amount of debts shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents" to "the total liabilities only with the interest-bearing debt shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents".
2. Revision of the Net Debt to Equity ratio from the rate from 2.5:1 to 2.25:1 On April 3, 2020, the meeting of debenture holders approved the revision in the definition of "Net Debt" and Net Debt to Equity ratio as proposed. On March 2, 2020 the interest has been paid to the debenture holders at 0.70 percent of debentures' value.

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

During the year 2020, the Company did not issue or offer any additional debentures.

3.3 NWR-SBCC Joint Venture

On March 28, 2017, the Central Bankruptcy Court issued a definitive custodial order to Saraburi Coal Co., Ltd. ("Saraburi"), a joint venture under NWR - SBCC Joint Venture Agreement with 50 percent shareholding proportion to carry out the excavation and transportation of soil and coal at the Mae Moh Mine of the Electricity Generating Authority of Thailand in Lampang Province. The absolute custody ordered by the Central Bankruptcy Court was considered that Saraburi was in breach of the Joint Venture Agreement. The Company exercised its rights under the Joint Venture Agreement to terminate the duty of Saraburi from the NWR-SBCC Joint Venture ("Joint Venture"). Subsequently, on January 15, 2018, the court ordered the bankruptcy of Saraburi.

On May 8, 2017, the Company submitted a written letter to the official receiver of Saraburi to cancel the duty of Saraburi in the Joint Venture. As a result, roles, rights, and duties of Saraburi according to the Joint Venture Agreement ended and the Company has a right and duty according to Joint Venture Agreement to control and operate until the work is completed, as scheduled on March 23, 2018. The results of Saraburi's lawsuit and the exercise of the Company's rights did not change the Company's shareholding ratio in the Joint Venture and did not affect the project operation with the Electricity Generating Authority of Thailand.

Currently, the project has already been completed. All machinery and equipment used for this project were sold.

On March 18, 2020, the meeting of account receivables of Saraburi Coal Co., Ltd. has resolved the termination of the Joint Venture and the appointment of a liquidator. On October 16, 2020, Bangkok Area Revenue Office 10 has notified the removal of NWR-SBCC Joint Venture from the VAT registration.

Summary of the Company's financial status according to the Company's Consolidated Financial Statement as at December 31, 2019

As at December 31, 2019, the Company had total assets in the amount of 13,353.65 Million Baht, increased from the total assets as at December 31, 2018 in the amount of 310.60 Million Baht.

Significant changes in assets:

1. Cash and cash equivalents as at December 31, 2019 amounting to 596.88 Million Baht, decreased from December 31, 2018 in the amount of 650.29 Million Baht. The Company's cash was spent for construction operation as planned.
2. Trade receivables and other receivables as at December 31, 2019 before deducting an allowance for doubtful accounts amounting to 2,346.55 Million Baht, increased from December 31, 2018 in the amount of 158.72 Million Baht.

The Company recoded allowance for doubtful accounts for all those receivables with over 1-year overdue payment according to the Company's rules and policies.

Trade receivables as at December 31, 2019 compared with those as at December 31, 2018 are as follows;

(Unit: Million Baht)

Description	Allowance for doubtful accounts	Total debts	Within due	Within 12 months past due	Over 12 months past due
Trade receivables as at December 31, 2018	1,045.46	2,165.86	441.81	346.24	1,377.81
Trade receivables as at December 31, 2019	1,027.88	2,282.32	737.19	477.30	1,067.83
Increase (decrease)	(17.58)	116.46	295.38	131.06	(309.98)

Interest Expenses

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

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

Due to the reimbursement of the performance of various projects has been delayed. while the company has fixed expenses Therefore, it is necessary to borrow money from financial institutions. and issuing debentures in the fourth quarter to increase liquidity This results in increased financial costs. But at the same time, Mana Pattanakarn Company Limited, which operates a real estate development business There is a decrease in finance costs due to reduced loan amounts.

Issuance and offering of debentures No. 1/2022

On November 9, 2022, the company issued and offered unsubordinated debentures. no collateral and has a debenture holder representative Offering to institutional investors and high net worth investors in the amount of 500,000 units, 1,000 baht per unit, total value of 500 million baht, 2 years maturity in full amount on November 9, 2024, interest rate of 6.90% per year, with the objective to use working capital Interest payment every 3 months. Interest payment for debentures in 2022 equals 5.01 million baht.

In accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to maintain Net Debt to Equity ratio at the rate of 2.5:1 at the end of the quarter and year-endperiod. Details are defined as follows:

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

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

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

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

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

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

3. Inventories as at December 31, 2019 amounting to 1,327.40 Million Baht, increased from December 31, 2018 by 416.02 Million Baht. The increased amount was from the pre-cast concrete products that waiting for handover to the buyers.

4. Long- term loan as at December 31, 2019 amounting to 306.20 Million Baht, while there is no long-term loan recorded as at December 31, 2018. The loan consists of a related party loan in the amount of 12 Million Baht, a non-related party loan in the amount of 294.20 Million Baht.

The unrelated party loan in the amount of 282 Million Baht was from the trade receivable called “Star Sapphire Hotel Company Limited” which has signed a long-term loan contract with the Company in order to repay installment with interest for construction cost.

Significant changes in liabilities:

1. Bank overdrafts and short-term loans as at December 31, 2019 amounting to 2,169.44 Million Baht, increased from December 31, 2018 in the amount of 495 Million Baht due to the increase of short-term loans from financial institutions in order to enhance more liquidity for the Company's operation.

2. Trade payables and other payables as at December 31, 2019 amounting to 2,041.22 Million Baht, increased from December 31, 2018 in the amount of 348.49 Million Baht as the Company ordered more construction materials for pre-cast concrete production according to purchase orders.

Details of trades payable and other payables were as follows:

(Unit: Million Baht)

	As at 31 Dec 2019	As at 31 Dec 2018	Increase (decrease)
Trade payables – related and non-related parties	1,637.88	1,193.61	444.27
Advance from – related and non-related parties	1.19	0.11	1.08
Other payables – related and non-related parties	60.49	85.12	(24.63)
Accrued expenses – related and non-related parties	341.66	413.89	(72.23)
Total trade payables and other payables	2,041.22	1,692.73	348.49

3. Debt initiated from contracts consists of advance revenues for construction cost in the amount of 1,967 Million Baht as at December 31, 2019, increased from December 31, 2018 in the amount of 252.05 Million Baht. The debt was incurred from signing construction contracts and receiving advance revenues for construction costs from the project owners. The advance revenues will be gradually deducted from the value of works delivered in each period. The conditions applied as specified in the construction contracts.

4. Long-term loans from banks

4.1 The current portion of a long-term loan from banks was in the amount of 498.09 Million Baht as at December 31, 2019.

4.2 The net current portion of a long-term loan from banks was in the amount due was 447.23 Million Baht as at December 31, 2019.

Total amount of long-term loan as at December 31, 2019 was 945.32 Million Baht, decreased from December 31, 2018 in the amount of 86.97 Million Baht.

1. Analysis of the operating results of the year 2019 compared to the year 2018 according to the consolidated financial statement

Description	Year 2019	Year 2018	Increase (decrease)	
			Amount	Percentage
1.1 Revenue from construction	6,318.23 MB	8,676.42 MB	(2,358.19) MB	(27.18)
1.2 Cost of construction compared with revenue from construction	98.15 %	93.61%	-	4.85
1.3 Revenue from sales and services				
- Real estate development	424.61 MB	828.43 MB	(403.82) MB	(48.75)
- Concrete products and others	997.25 MB	430.67 MB	566.58 MB	(131.56)
1.4 Cost of sales and services compared with revenue from sales and services				
- Real estate development	61.19 %	71.12 %	-	(13.96)
- Concrete products and others	95.88 %	94.68 %	-	1.27
1.5 Sales and distribution expenses	139.63 MB	121.03 MB	18.60 MB	15.37
1.6 Administrative expenses	588.19 MB	528.61 MB	59.58 MB	11.27
1.7 Loss in impairment	218.41 MB	215.23 MB	3.18 MB	1.48

2. Operating results of the year 2019

Description	Year 2019	Year 2018
Profit (Loss) of the year attributable to shareholders' equity according to the consolidated financial statement	(515.22) MB	418.04 MB
Profit (Loss) of the year according to the separate financial statement	(380.99) MB	470.09 MB

3. Management discussion and analysis

For the operating performance as at December 31, 2019, the Company and its subsidiaries had total revenues amounting to 7,840.60 Million Baht, divided into revenue from construction service of 6,318.22 Million Baht, revenue from sales and services of 1,421.86 Million Baht, and other revenues of 100.51 Million Baht. Compared to the year 2018, total revenues of the Company and its subsidiaries decreased by 2,196.01 Million Baht or 21.88 percent, mostly resulting from a decrease in construction revenue in the amount of 2,358.19 Million Baht or 27.18 percent and an increase in sales and services revenue in the amount of 162.76 Million Baht or 12.93 percent.

In 2019, the Company had a net loss of the year attributable to shareholders' equity amounting to 515.22 Million Baht. While in 2018, the Company had profit of the year attributable to shareholders' equity amounting to 418.04 Million Baht.

The Company recognized a share of loss from investment in associated companies and joint ventures in the year 2019 amounting to 12.90 Million Baht. While in 2018, the Company recognized a share of profit from the said transactions amounting to 86.64 Million Baht. Details of which were as follows:

	Investment proportion (Percentage)	Recognized Share of Profit (Loss) (Million Baht)	
		Year 2019	Year 2018
VSPN Property Company Limited	25	-	1.02
C.I.N. Estate Company Limited	40	(12.90)	(9.18)
NWR-SBCC Joint Venture	50	-	94.80

In the year 2019, the Company faced many problems and obstacles. However, the problems have been gradually solved but the problem related to the domestic and international economy still remain. Construction projects of the government aiming to develop the country have begun bidding according to the budget. Although, there was drastically serious bidding competition between construction companies, the Company's executives and all employees are committed to performing their duties at full capacity and doing their best to overcome those problems and obstacles.

3.1 Operating results for the year 2019

Construction business

In 2019, revenue from construction services was 6,318.22 Million Baht, decreased from the year 2018 in the amount of 2,358.19 Million Baht or 27.18 percent. The project cost has been adjusted because of the delay in handing over the project's area from the project owner, the problem of overlap projects, and the revision on construction drawing which lead to the suspension in construction process. Although many projects have been completed, there are many projects pending for contract signing which revenue will be recognized in 2020. The three largest construction projects contributing the highest revenue in the year 2019 are as follows:

- a. The MRT Orange Line (East Section) Project of Mass Rapid Transit Authority of Thailand in which the Company is a sub-contractor of CKST Joint Venture. The project revenue in the year 2019 was 536 Million Baht.
- b. Structuring and providing architecture services for the Pink Line Monorail (Khae Rai - MinBuri Section) of Mass Rapid Transit Authority of Thailand in which the Company is a sub-contractor of Sino-Thai Engineering and Construction Public Company. The project revenue in the year 2019 was 488 Million Baht.
- c. Structuring and providing architecture services for the Yellow Line Monorail (Lat Phrao – Samrong Section) of Mass Rapid Transit Authority of Thailand in which the Company is a sub-contractor of Sino-Thai Engineering and Construction Public Company. The project revenue in the year 2019 was 461 Million Baht.

Other businesses

In 2019, revenue from sales and services was 1,421.86 Million Baht, increased from the year 2018 in the amount of 162.76 Million Baht or equivalent to 12.93 percent. The Source of sales and services revenue are as follows:

1. Revenue from concrete products was sharply increased in the year 2019 with the attribution of subsidiary company called Advance Prefab Company Limited. The main business of the subsidiary is a manufacturer of concrete products where the sale and services revenue is significantly higher than it was in 2018.
2. Processed steel business
3. Petrol business
4. Food business

5. In 2019, the revenue from real estate development business has decreased 403.83 Million Baht or 48.75 percent in comparison with the year 2018. The major causes are from the strict control on financial institution loans from the Bank of Thailand and the low number of foreign customers. As a result, Mana Patanakarn Company Limited, a subsidiary company that conducts real estate development business was unable to transfer the assets to buyers as expected. However, the cost of real estate development business in year 2019 has decreased from the year 2018 because the transferring of Aspen Condo (Phase B) was increased, where the cost of Phase B is lower than the cost of Phase A.

Sales and distribution expenses

Compared with the year 2018, sales and distribution expenses of the year 2019 increased 18.60 Million Baht, or approximately 15.37 percent. Details of sales and distribution expenses were as follows:

(Unit: Million Baht)

Sales and distribution expenses	Year 2019	Year 2018
Mana Patanakarn Company Limited	98.96	105.26
Advance Prefab Company Limited	37.00	13.44
Taste Maker Company Limited	3.67	2.33
Total	139.63	121.03

For the year 2019, Advance Prefab Company Limited, conducts concrete product business, has increased its distribution expenses due to the high sale volume compared with the year 2018.

Administrative expenses

Compared with the year 2018, administrative expenses of the year 2019 increased in the amount of 59.58 Million Baht, or approximately 11.27 percent. Details of administrative expenses were as follows:

(Unit: million Baht)

Administrative expenses	Year 2019	Year 2018
Nawarat Patanakarn Public Company Limited	382.84	326.26
Mana Patanakarn Company Limited	59.48	56.14
Advance Prefab Company Limited	72.99	75.37
Utility Business Alliances Company Limited	36.17	31.29
Taste Maker Company Limited	26.88	22.74
Other subsidiaries	9.83	16.81
Total	588.19	528.61

In the year 2019, the Company has a higher lawsuit expense for outstanding debtors. Moreover, the Company has gradually recognized the expense for severance pay which the compensated rate has adjusted from 300 days to 400 days. Another cause was the recognition from the loss of exchange rate in which it was recognized as profitability in the year 2018.

The law, officially called the Labour Protection Act., has increased the severance pay from 300 days to 400 days for workers serving over 20 years. The Company and subsidiaries were gradually recognized and recorded the compensation rate in costs and expense as follows:

(Unit: Million Baht)	
Record the increasing cost or expense	Year 2019
Construction cost	30.04
Sales and services cost	3.31
Administrative Expenses	28.29
Total	61.64

3.2 Issuance and offering of 1,720.10 Million Baht debentures

On August 28, 2017, the Company issued and offered 2,000,000 units of 3-year debenture at a par value of 1,000 Baht each, totaling 2,000 Million Baht with the maturity date of full redemption on August 28, 2020. The debentures bear a coupon rate of 4.50 percent per year. The purposes of debenture issuance were for investment, debentures repayment, and use as working capital. The debentures were sold in a total amount of 1,720.1 Million Baht. The total payment of coupon rate in 2019 was 77.40 Million Baht.

In accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders, the Company is required to maintain Net Debt to Equity ratio at the rate of 2.5:1 at the end of the quarter and year-end period. Details are defined as follows:

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

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

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

Therefore, the Net Debt to Equity ratio (Net D/E ratio) in accordance with the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders shall be as follows:

	As at December 31, 2019	As at December 31, 2018	As at December 31, 2017
	Consolidated financial statement	Consolidated financial statement	Consolidated financial statement
Net Debt to Equity ratio (times)	2.84	1.98	2.30

Net Debt to Equity ratio according to the consolidated financial statement was higher than indicated in the Regulations of Rights and Duty of Debenture Issuer and Debenture Holders. Therefore, the Company organized the meeting of debenture holders on March 16, 2020 in order to seek for approval on the following agendas:

1. Revision of the definition of "Net Debt" from "the total amount of debts shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents" to "the total liabilities only with the interest-bearing debt shown in the consolidated financial statement of the debenture issuer/loaner, deducted by cash and cash equivalents".
2. Revision of the Net Debt to Equity ratio from the rate from 2.5:1 to 2.25:1

The meeting of debenture holders approved the revision in the definition of "Net Debt" and "Net Debt to Equity ratio" as follows:

As of December 31, 2019 Consolidated financial statement	
Net Debt to Equity (times)	1.33

During the year 2019, the Company did not issue or offer any additional debentures.

3.3 NWR-SBCC Joint Venture

On March 28, 2017, the Central Bankruptcy Court issued a definitive custodial order to Saraburi Coal Co., Ltd. ("Saraburi"), a joint venture under NWR - SBCC Joint Venture Agreement with 50 percent shareholding proportion to carry out the excavation and transportation of soil and coal at the Mae Moh Mine of the Electricity Generating Authority of Thailand in Lampang Province. The absolute custody ordered by the Central Bankruptcy Court was considered that Saraburi was in breach of the Joint Venture Agreement. The Company exercised its rights under the Joint Venture Agreement to terminate the duty of Saraburi from the NWR-SBCC Joint Venture ("Joint Venture"). Subsequently, on January 15, 2018, the court ordered the bankruptcy of Saraburi.

On May 8, 2017, the Company submitted a written letter to the official receiver of Saraburi to cancel the duty of Saraburi in the Joint Venture. As a result, roles, rights, and duties of Saraburi according to the Joint Venture Agreement ended and the Company has a right and duty according to Joint Venture Agreement to control and operate until the work is completed, as scheduled on March 23, 2018. The results of Saraburi's lawsuit and the exercise of the Company's rights did not change the Company's shareholding ratio in the Joint Venture and did not affect the project operation with the Electricity Generating Authority of Thailand.

Currently, the project has already been completed. All machinery and equipment used for this project were sold. The Company is filling a request to the officer receiver for termination of the Joint Venture and requesting for appointment of a liquidator.

3. Cash flow statement analysis

Cash flow statement (consolidated financial statement)

(Unit : Million Baht)

Description	Year 2022	Year 2021	Year 2020
Cash flows from (used in) operating activities	(60.33)	(761.19)	516.49
Cash flows from (used in) investment activities	(534.29)	(32.17)	(81.35)
Cash flows from (used in) financing activities	907.57	1,055.39	133.50
Increase (decrease) in translation adjustment	0.48	(7.22)	4.72
Cash and cash equivalent at the beginning of period	1,425.05	1,170.24	596.88
Cash and cash equivalent at the end of period	1,738.48	1,425.05	1,170.24

Cash from operating activities in the year 2022 indicated that the Company had a net cash flows in operating activities amounting to 60.33 Million Baht compared with the year 2021 which had a net cash flows used in operating activities amounting to 761.19 Million Baht. Key items that affect cash from operating activities were as follows;

1. Increasing of trade receivables and other receivables of 276.33 Million Baht due to the payment of the delivered works which have been received.
2. Assets from contracts which consist of the revenue not yet billed, accrued revenues, retentions payable, were increased in the amount of 1,476.04 Million Baht. The revenue not yet billed was the main factor as the project has been processed but it was not handover to the employers yet.
3. Increasing of inventories amounting to 71.49 7 Million Baht due to the materials for ready-made products and construction projects.
4. Increasing of trade payables amounting to 754.13 Million Baht in relation to materials' cost and deliverables from sub-contractors.
5. Debt initiated from contracts consists of advance revenues for construction cost, was increased in the amount of 1,004.07 Million Baht. The debt was incurred from receiving advance revenues for construction costs from the project owners. The advance revenues will be gradually deducted from the value of works delivered in each period. The conditions applied as specified in the construction contracts.

With respect to cash from investment activities in the year 2022, the Company had net cash flows from investing activities amounting to 534.29 Million Baht compared with the year 2021 in which the Company has net cash flows from investing amounting to 32.17 Million Baht. In 2022, the Company purchased equipment in the amount of 498.26 Million Baht, while the received cash from sales of equipment in the amount 26.24 Million Baht.

1. In 2022, an increase of bank overdraft and short-term loans from financial institutions amounting to 69.03 Million Baht and long-term loans amounting to 240.03 Million Baht. Meanwhile, the Company repaid a long-term loan to financial institutions amounting to 168.17 Million Baht.
2. In the fourth quarter of 2022, Utility Business Alliance Public Company Limited, a subsidiary operates the business of managing wastewater treatment systems Has allocated ordinary shares for sale to the general public. Received net payment after deducting various operating expenses of 282.34 million baht and listed the company on the Market for Alternative Investment (mai) on December 7, 2022.
3. On November 9, 2022, the company issued and offered debentures No. 1/2022 in the amount of 500 million baht, with net proceeds after deducting various operating expenses of 492.28 million baht.

Summary of key activities that occurred during the year 2020 - 2022 which affected the cash flow statement

1. On August 28, 2017, the Company issued and offered the 2,000,000 units of 3-year debenture at a par value of 1,000 Baht each, totaling 2,000 Million Baht. The maturity date of full redemption will be August 28, 2020. The debentures bear a coupon rate of 4.50 percent per year. The purpose of the debentures is for investment, loan repayment, and use as working capital. The debentures were sold in a total of 1,720.10 debentures have been paid in full amount on the maturity date which was August 28, 2020.

2. On November 9, 2022, the company issued and offered debentures No. 1/2022 offered to institutional investors and high net worth investors worth 500 million baht, tenor 2 years, interest rate 6.90% per year, interest payment every 3 months. Due for redemption in full on November 9, 2024 with the objective to be working capital in the business.

3. In 2018, the Company took a long-term loan of 500 million baht from a bank to repay the debentures due that year. The long-term loan is repayable in 6-month installments starting from January 2020 to July 2023. However, the Company and the bank have signed an amendment to the loan agreement. Suspension of loan repayment until December 2025, will return to pay in installments for 6 months as before Start paying from January 2026 and complete the payment of all debts by August 2028.

4. In 2020, the company took a long-term loan of 800 million baht from a bank to repay maturity debentures. The long-term loan is repayable in 6-month installments starting from August 2021 to July 2026. Subsequently, the Company and the bank signed an agreement to amend the loan agreement. to suspend the repayment of the loan beginning until January 2026, and will return to pay in 6-month installments as before Start paying in February 2026 and complete all debt payments by August 2031.

5. In the fourth quarter of 2022, Utility Business Alliance Public Company Limited, a subsidiary operates the business of managing wastewater treatment systems Has allocated 170 million ordinary shares for capital increase, sold to the general public at a price of 1.70 baht per share, received net proceeds after deducting various operating expenses of 282.34 million baht and listed the company on the Market for Alternative Investment on December 7, 2022, although the proportion of the company's investment in Utility Business Alliance Public Company Limited will decrease from Originally 60 percent to 43 percent, but there was no change in control. As a result, investments in Utility Business Alliance Public Company Limited are still classified as investments in subsidiaries.

6. In 2021, the Company renovated building, purchased additional tools, machinery, equipment, office stationery, furniture, vehicles, and assets during construction at cost in amount of 498.26 Million Baht. In 2021 and 2020, the Company renovated building, purchased lands, tools, machinery, equipment, office stationery, furniture, vehicles and assets during construction in amount of 148.03 Million Baht and 366.36 Million Baht respectively. The Company purchased only necessary machinery and equipment, including replacement of the deteriorated ones. At the same time, the Company disposed the old and outdated machinery in order to save warehouse area and maintenance cost.

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

1. The Company and the real estate development business

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

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

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

1. Barani Bliss Project, Rangsit Klong Sam The project value is 1,275 million baht and is expected to open for sale in the third quarter of 2023.
2. Barani Bliss Project (Rangsit-Wongwaen), Rangsit-Nakhon Nayok Road (Khlomg 5), project value 739 million baht, expected to open for sale in the fourth quarter of 2023.

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

1. Management of related trade receivables

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

2. Cost of construction services

Overall, the global oil price was declined although it has been increased in a short period of time. On the other hand, steel price remains steady. Price fluctuation makes it difficult to estimate construction costs in the future which may affect the proposal to employers or project owners. Even though the government projects are partially offset due to adjustment of construction cost, it does not cover all types of materials. The Company still has to bear some obligations. However, the government projects are still better than the private sector' ones that there is no compensation to contractors due to the adjustment of materials' price. The contractors have to prevent the risk by themselves. The Company is able to hedge the price risk in a short period of time, for example, entering into a price agreement to purchase materials in advance, payment of materials in advance, or purchase of materials required for the entire project in advance, etc.

3. The ability to maintain the net debt to equity ratio (Net d/e ratio) according to the conditions in the long-term loan agreement of 500 million baht and 800 million baht between the company and a bank and according to the conditions of the company's unsecured debentures Nawarat Patanakarn Public Company Limited No. 1/2022

Net Debt to Equity Ratio As defined in the long-term loan agreements of 500 million baht and 800 million baht and as specified in the terms and conditions on the rights and obligations of the bond issuer and bond holders. For the Company's debentures, No. 1/2022, are specified as follows:

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

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

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

The condition stipulates that The Company is required to maintain a net debt to equity ratio of 3.25: 1 throughout the term of the long-term loan at the end of the quarter and the end of the fiscal year.

Regarding the definition of “**Net Debt**”, Net Debt to Equity ratio will be as mentioned below:

	As at December 31, 2022	As at December 31, 2021	As at December 31, 2020
	Consolidated financial statement	Consolidated financial statement	Consolidated financial statement
Net Debt to Equity (times)	2.06	2.12	1.32

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

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

4.3. Financial Highlights

4.3.1 Financial Statements

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

The auditor has assessed and tested the internal controls that the Group has in place to govern the construction contracting process project cost estimates and adjustments including the recording of revenue recognition and estimation of the completion of the construction work by asking the responsible person Understand and select random samples to test the operation of the company's designed controls.

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

in all material respects, the financial position as at December 31, 2021, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

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

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

Financial Statement 2020: The auditor presented an unqualified report of Nawarat Patanakarn Public Company Limited and its subsidiaries (the Group), which comprise of the consolidated statement of financial position as at December 31, 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period. The auditor determined the financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2020, the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

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

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

Auditor who audited financial statements of Nawarat Patanakarn Public Company Limited

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

	The year 2022	Mrs. Poonnard Paocharoen, Certified Public Accountant No. 5238
	The year 2020-2021	Miss Kosum Cha-em, Certified Public Accountant No. 6011
Audit fee	The year 2022	Audit fee for the Company was 3.60 Million Baht per year
	The year 2021	Audit fee for the Company was 3.50 Million Baht per year
	The year 2020	Audit fee for the Company was 3.50 Million Baht per year

General Information

Summarized Corporate Financial Highlights

(Unit: Million Baht)

Financial Statements	31 December 2022	31 December 2021	31 December 2020
Total assets	19,892.02	17,077.55	14,685.71
Total liabilities	17,210.24	14,730.09	11,604.89
Shareholders' equity	2,362.42	2,246.51	2,997.57
Fully paid common shares	2,585.48	2,585.48	2,585.48

(Unit: Million Baht)

Profit and loss statement	31 December 2022	31 December 2021	31 December 2020
Total revenues	13,263.14	11,219.85	9,951.86
Total expenses	13,198.10	11,967.25	10,175.42
Net profit (loss) attributable to the equity holders	37	(768.34)	(240.93)
Earnings per share (Baht)	0.01	(0.30)	(0.09)

(Unit: Million Baht)

Cash flow statement	31 December 2022	31 December 2021	31 December 2020
Cash flows from operating activities	(60.33)	(761.19)	516.49
Cash flows from investing activities	(534.29)	(32.17)	(81.35)
Cash flows from financing activities	907.57	1,055.39	133.50
Net increase (used in) in cash	313.44	254.81	573.36

(Unit: Million Baht)

Financial Ratios	31 December 2022	31 December 2021	31 December 2020
Net profit (loss) margin (%)	0.28	(6.85)	(2.43)
Return on equity (%)	1.61	(29.30)	(7.71)
Return on assets (%)	0.20	(4.84)	(1.72)
Return on fixed assets (%)	19.50	(15.32)	8.88
Liquidity ratio (Times)	(0.0044)	(0.07)	0.05
Debt to equity ratio (Times)	6.42	6.27	3.77
Dividend yield (%)	0.00	0.00	0.00

4.3.2 Financial Summary Table

Statement of financial position

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Assets						
Current assets						
Cash and cash equivalents	1,738,484	1,263,310	1,425,048	1,313,589	1,170,240	1,023,418
Trade and other receivables	1,460,693	1,962,077	1,244,450	1,534,450	1,745,314	1,902,215
Contract assets	8,565,026	8,264,013	7,088,983	6,801,789	5,066,202	4,841,172
Short-term loans and advances	1,410	1,410	-	-	15,363	17,264
Current portion of long-term loans	111,800	134,299	37,168	-	25,500	-
Inventories	1,602,972	1,347,226	1,537,475	1,326,278	895,642	782,420
Project development cost	1,057,353	14,485	1,069,141	14,485	1,430,475	14,484
Other current financial assets	6,542	6,542	6,511	6,511	6,678	6,678
Other current assets	2,050,122	2,040,697	1,476,793	1,469,131	861,977	875,893
Total current assets	16,594,402	15,034,059	13,848,401	12,503,401	11,191,891	9,489,044
Non-current asset						
Restricted bank deposits	190,557	115,152	109,770	231,513	183,639	301,276
Other non-current financial assets	10,747	10,747	10,747	16,067	10,747	-
Long-term loans	199,761	375,681	206,962	404,921	224,675	446,913
Investments in subsidiaries	-	1,713,327	-	1,713,327	-	1,608,343
Investments in associate	223,920	-	207,962	-	200,964	-
Other long-term investments			-	-	-	-
Investments properties	182,569	178,881	182,694	178,881	182,819	178,881
Property, plant and equipment	1,958,454	1,330,776	1,753,076	1,079,620	1,907,337	1,165,945
Right-of-use assets	385,460	196,927	446,274	249,525	474,543	260,560
Deferred tax assets	84,198	60,917	98,475	72,015	88,625	66,237
Other non-current assets	61,955	39,415	138,412	99,396	167,276	132,465
Total non-current assets	3,297,621	4,021,823	3,229,150	3,918,202	3,493,819	4,053,730
Total assets	19,892,023	19,055,882	17,077,551	16,421,603	14,685,710	13,542,774

Statement of financial position
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	4,673,731	4,529,432	4,604,697	4,483,026	3,044,349	3,030,392
Trade and other payables	3,722,941	3,686,293	2,963,267	2,755,904	2,241,946	1,959,996
Contract liabilities	5,056,282	5,031,659	4,052,209	4,007,079	2,957,025	2,909,595
Current portion of lease liabilities	66,785	60,289	77,402	71,995	91,134	83,319
Current portion of long-term loans from banks	183,963	-	102,509	30,000	536,295	97,500
Current portion of long-term loans from unrelated party	22,500	-	32,000	-	8,000	-
Short-term loans	270,987	269,487	160,129	158,579	89,068	88,068
Retention payable	613,293	617,027	491,577	471,979	355,592	323,407
Provision for construction project loss	30,701	30,701	64,373	64,373	7,617	7,617
Other current liabilities	225,111	130,784	316,567	150,953	327,245	184,135
Total current liabilities	14,866,294	14,355,672	12,864,730	12,193,888	9,658,271	8,684,029
Non-current liabilities						
Lease liabilities, net of current portion	183,374	59,398	214,165	87,265	226,137	93,145
Long-term loans from banks, net of current portion	1,360,124	1,195,000	1,369,720	1,195,000	1,385,054	1,165,000
Long-term loans from unrelated party, net of current portion	7,500	-	-	-	32,000	-
Hire purchase creditors and finance lease payable, net of current portion	492,807	492,807	-	-	-	-
Provision for long-term employee benefits	289,055	235,745	278,132	229,103	301,598	252,343
Deferred tax liabilities	6,262	-	-	-	513	-
Other non-current liabilities	4,826	2,490	3,341	2,490	1,319	1,111
Total non-current liabilities	2,343,948	1,985,440	1,865,358	1,513,858	1,946,621	1,511,599
Total liabilities	17,210,242	16,341,112	14,730,088	13,707,746	11,604,892	10,195,628

Statement of financial position
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Shareholders' equities						
Authorized share capital						
2,585,481,515 ordinary shares of Baht 1 each	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482
Issued and fully paid						
2,585,481,515 ordinary shares of Baht 1 each	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482
Premium ordinary shares	968,944	968,944	968,944	968,944	968,944	968,944
Surplus from the change in the proportion of investments in subsidiaries	78,272	-	-	-	-	-
Retained earnings (deficits)	62,653	52,453	56,454	52,454	56,453	56,453
Appropriated-statutory reserve						
Unappropriated	(1,339,254)	(892,109)	(1,370,214)	(893,023)	(626,376)	(259,733)
Other components of shareholders' equity	6,326	-	5,843	-	13,069	-
Included equity attributable to owner of the Company	2,362,423	2,714,770	2,246,509	2,713,857	2,997,572	3,347,146
	319,358	-	100,954	-	83,246	-
Total shareholders' equity	2,681,781	2,714,770	2,347,463	2,713,857	3,080,818	3,347,146
Total liabilities and shareholders' equity	19,892,023	19,055,882	17,077,551	16,421,603	14,685,710	13,542,774

Statement of comprehensive income

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Profit and loss:						
Revenue						
Revenue from construction	11,970,715	11,281,110	9,888,736	9,363,980	7,728,591	6,841,863
Sale and service income	1,126,894	271,905	1,198,643	185,107	2,130,232	646,456
Other income						
Other	142,268	153,441	153,441	234,657	70,126	60,437
Total Revenue	13,239,877	11,706,456	11,209,208	9,783,744	9,928,949	7,548,756
Expenses						
Cost of construction	11,302,691	10,805,691	10,070,322	9,663,063	7,348,262	6,475,249
Cost of sale and services	905,478	248,419	954,427	176,021	1,832,498	613,374
Selling and distribution expense	83,793	-	98,410	-	122,775	-
Administrative expenses	566,011	351,210	565,273	334,492	511,004	299,952
Loss on write-off assets	-	-	-	-	13,736	-
Impairment loss on financial assets	18,591	43,897	29,834	71,307	94,241	268,181
Total expenses	12,876,564	11,449,217	11,718,266	10,244,883	9,922,516	7,656,756
Operating profit (loss)	363,313	257,239	(509,058)	(461,139)	6,433	(108,000)
Share of profit (loss) from investments in associate	15,958	-	6,997	-	18,127	-
Financial income	7,308	21,101	3,645	18,283	4,787	21,115
Financial cost	(283,733)	(257,410)	(242,989)	(214,878)	(248,338)	(215,115)
Profit (loss) before income tax expenses	102,846	20,930	(741,405)	(657,734)	(218,991)	(302,000)
Income tax income (expenses)	(37,825)	(20,015)	(5,994)	3,185	(4,562)	(5,964)
Profit (loss) for the year	65,021	915	(747,399)	(654,549)	(223,553)	(307,964)

Statement of comprehensive income
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Other comprehensive income:						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Exchange differences on translation of financial statements in foreign currency	483	-	(7,225)	-	4,724	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods- net of income tax	483	-	(7,225)	-	4,724	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Actuarial loss (gain)	470	-	31,086	26,574	(655)	-
Less: Income tax effect	(94)	-	(6,217)	(5,315)	131	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods-net income tax	376	-	24,869	21,259	(524)	-
Other comprehensive income for the year	859	-	17,644	21,259	4,201	-
Total comprehensive income for the year	65,880	915	(729,755)	(633,290)	(219,353)	(307,964)
Profit (loss) attributable to:						
Equity holders of the Company	36,998	915	(768,339)	(654,549)	(240,926)	(307,964)
Non- controlling interests of the subsidiary	28,023		20,940		17,373	
	65,021		(747,399)		(223,553)	
Total comprehensive income attributed to:						
Equity holders of the Company	37,643	915	(751,063)	(633,290)	(236,516)	(307,964)
Non-controlling interest of subsidiaries	28,237		20,940		17,373	
	65,880		(729,755)		(219,353)	
Earning per share						
Basic earning per share						
Profit attributable to equity holders of the Company	0.0143	0.0004	(0.2972)	(0.2532)	(0.0932)	(0.1191)
Dilution earning per share						
Profit attributable to equity holders of the Company						
Weighted Average Common Stock(thousand shares)	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482	2,585,482

Cash flow statement

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Cash flow from (used in) operating activities						
Profit (loss) before income tax expense	102,846	20,930	(741,405)	(657,734)	(218,991)	(302,000)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:-Depreciation	405,982	322,063	417,461	323,979	452,239	341,189
Impairment loss on financial assets	18,591	43,897	29,834	71,307	94,241	268,181
Reduction of inventory to net realizable value (reversal)	5,989	(2,099)	(5,967)	972	(262)	(393)
Reversal of reduction of project development cost to net realizable value	-	-	-	-	(2,380)	(2,380)
Cost on write-off withholding tax	204	99	860	856	-	-
Loss on write-off assets	-	-	-	-	13,736	-
Allowance for impairment of invest in association	-	-	-	17	-	-
Increase in provision for contingent liabilities from litigation (reversal)	-	-	-	-	(1,635)	(1,635)
Share of loss (profit) from invest in association	(15,958)	-	(6,997)	-	(18,127)	-
Gain on fair value adjustments of other current financial assets	(30)	(30)	(68)	(68)	(28)	(28)
Loss on fair value adjustments of other non-current financial assets	-	-	-	-	840	-
Loss (gain) on disposal and write-off equipment	(17,303)	(17,575)	(28,615)	(28,633)	(3,329)	(4,219)

Cash flow statement
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Gain on disposal of equity instrument designated at fair value through profit and loss	-	-	(4,865)	-	-	-
Reversal of allowance for impairment of investment properties	-	-	-	-	(2,010)	(2,010)
Loss on disposal investment properties	-	-	-	-	1,810	1,810
Reversal of allowance for loss on impairment of fixed assets	(16,037)	(15,161)	9,737	-	(464)	(464)
Unrealized loss (gain) on exchange	(949)	(8,761)	(1,044)	(26,090)	(275)	4,419
Increase in provision for long-term employee benefits	24,994	19,153	22,960	17,716	26,330	20,836
Increase (decrease) in provision for loss on construction project	(33,672)	(33,672)	56,755	56,755	(22,075)	(22,075)
Amortization of deferred debenture issuing cost	525	525	-	-	2,221	2,221
Dividend income	-	(19,350)	-	(110,400)	(109)	(3,000)
Interest income	(7,308)	(21,101)	(3,645)	(18,283)	(4,787)	(21,115)
Interest income	283,732	257,410	242,989	214,878	248,338	215,115
Profit from operating activities before changes in operating assets and liabilities	751,606	546,328	(12,010)	(154,728)	565,283	494,452

Cash flow statement
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Operating assets decrease (increase)						
Trade and other receivables	(276,333)	(491,451)	455,269	333,941	(447,279)	(376,778)
Contract assets	(1,476,043)	(1,462,224)	(2,022,781)	(1,960,617)	(924,390)	(908,264)
Inventories	(71,485)	(18,849)	(635,865)	(544,831)	432,023	27,570
Project development cost	16,525	-	361,587	-	(26,384)	6,129
Other current assets	(617,493)	(627,501)	(426,179)	(406,042)	(244,615)	(320,688)
Other non-current assets	59,211	59,981	31,590	33,069	129,961	71,507
Operating liabilities increase (decrease)						
Trade and other payables	754,127	925,083	723,655	794,287	223,568	330,564
Contract liabilities	1,004,073	1,024,581	1,095,183	1,097,484	990,022	996,387
Other current liabilities	(88,388)	(21,639)	(15,169)	(33,135)	(38,738)	51,071
Retention payables	121,716	145,048	135,985	148,572	40,158	54,365
Other non-current liabilities	846	-	2,022	1,379	65	(31)
Payment of long-term employee benefits	(13,714)	(12,512)	(15,340)	(14,382)	(15,242)	(13,447)
Cash from (use in) operating activities	164,649	66,845	(322,053)	(705,003)	684,432	412,837
Cash paid for interest expenses	(265,713)	(242,406)	(228,831)	(203,748)	(263,507)	(228,798)
Cash paid for income tax expenses	(268,408)	(232,648)	(215,410)	(196,007)	(143,751)	(129,244)
Income tax	309,139	281,036	5,103	-	239,313	238,959
Net cash from (use in) operating activities	(60,333)	(127,173)	(761,191)	(1,104,758)	516,487	293,754

Cash flow statement
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Cash flows from investing activities						
Increase in other current financial assets	(1)	(1)	235	235	(386)	(386)
Cash receipt from the disposal of equity instrument designated at fair value through profit and loss	-	-	10,185	-	-	-
Decrease (increase) in short-term loan and advance	(1,410)	(10,750)	15,439	9,365	(12,259)	99,528
Decrease (increase) in restricted bank deposit	(6,009)	(5,381)	46,965	73,868	69,763	53,377
Cash receipt from sale long -term loan	-	37,938	12,000	58,131	-	50,000
Cash paid for long -term loan	(111,800)	(111,800)	(2,250)	(23,200)	(4,271)	(4,271)
Cash paid for investment in subsidiaries	-	-	-	(105,000)	-	(1,500)
Proceeds from disposal of equipment	26,236	25,613	34,364	34,193	11,050	9,942
Proceeds from disposal of investment in properties	-	-	-	-	1,100	1,100
Acquisition of equipment	(498,260)	(473,448)	(177,444)	(158,557)	(148,029)	(125,337)
Dividend income	-	19,350	-	110,400	109	3,000
Interest income	56,958	65,098	28,338	10,183	1,576	16,377
Net cash from (used in) investing activities	(534,286)	(453,381)	(32,168)	9,618	(81,347)	101,830

Cash flow statement
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Cash flow from (used in) financing activities						
Increase in bank overdraft and short-term loan From financial institute net,	69,034	46,406	1,560,348	1,452,633	874,908	1,094,656
Cash receipt from short-term loans	185,642	185,642	141,270	130,548	99,777	98,777
Payment of short-term loans	(78,274)	(78,224)	(72,459)	(62,286)	(10,710)	(10,710)
Payment of liabilities under lease agreements	(99,410)	(85,831)	(113,047)	(98,084)	(124,402)	(113,793)
Cash receipt from long-term loans from unrelated parties	30,000	-	-	-	40,000	-
Payment of long-term loans from related parties	(32,000)	-	(8,000)	-	-	-
Cash receipt from long-term loans from bank	240,028	-	35,817	-	1,390,949	800,000
Payment of long-term loans from bank	(168,170)	(30,000)	(484,937)	(37,500)	(414,926)	(37,500)
Payment of debenture	-	-	-	-	(1,720,100)	(1,720,100)
Cash receipt from non-controlling interests from investment in subsidiaries	-	-	70,000	-	-	-
Net cash from debenture	492,282	492,282	-	-	-	-
Capital increasing from subsidiaries	281,339	-	-	-	-	-
Dividend paid by subsidiaries to non-controlling interests	(12,900)	-	(73,600)	-	(2,000)	-
Net cash from financing activities	907,571	530,275	1,055,392	1,385,311	133,496	111,330
Increase (decrease) in translation adjustment	483	-	(7,225)	-	4,724	-
Net increase (decrease) in cash and cash equivalent	313,435	(50,279)	254,808	290,171	573,360	506,914
Cash and cash equivalents at beginning of year	1,425,048	1,313,589	1,170,240	1,023,418	596,880	516,504
Cash and cash equivalents at end of year	1,738,483	1,263,310	1,425,048	1,313,589	1,170,240	1,023,418

Cash flow statement
(continued)

(Unit: Thousand Baht)

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Supplement cash flows information						
Non-cash transactions						
Reclassify short-term loan and advances to long term-loan	-	-	-	2,500	7,274	-
Transfer right-of-use assets to property, plant and equipment	48,404	46,488	33,345	32,068	113,307	113,250
Increase in right-of-use assets and lease liabilities from additional lease agreements	45,058	40,050	74,807	73,622	253,052	105,951
Capitalized interest as a part of project development cost	4,737	-	254	-	3,537	-

4.3.3 Financial Ratio

Consolidated financial statements and separate financial statements for the year ended 31 December 2021 and 2022

		As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
		Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement	Consolidated Financial Statement	Separate Financial Statement
Liquidity Ratio							
Current Ratio	(Times)	1.12	1.05	1.08	1.03	1.16	1.09
Quick Ratio	(Times)	0.21	0.22	0.21	0.23	0.30	0.34
Cash Flow Liquidity	(Times)	-0.0044	-0.01	-0.07	-0.11	0.05	0.04
Account Receivable Turnover	(Times)	6.24	4.54	4.35	3.39	3.84	2.68
Average Collection Period	(Days)	58	79	83	106	94	134
Inventory Turnover	(Times)	4.46	8.18	4.47	9.21	3.63	8.73
Average Sale (Inventory) Period	(Days)	78	44	81	39	99	41
Account Payable Turnover	(Times)	3.65	3.44	4.24	4.18	4.29	3.93
Average Payment Period	(Days)	99	105	85	86	84	92
Cash Conversion Cycle	(Days)	37	18	79	59	109	83
Profitability Ratio							
Gross Profit Margin	(%)	6.79	4.32	0.56	-3.04	6.88	5.34
Operating Profit Margin	(%)	1.83	1.28	-5.42	-6.54	0.45	1.33
Other Profit Margin	(%)	1.07	1.31	1.09	2.40	0.71	0.80
Cash to profit margin	(Times)	-0.25	-0.86	N.A.(+1.27)	N.A.(+1.77)	11.66	2.94
Net Profit Margin	(%)	0.28	0.01	-6.85	-6.69	-2.43	-4.08
Return on Equity	(%)	1.61	0.03	-29.30	-21.60	-7.71	-8.77
Efficiency Ratio							
Return on Assets	(%)	0.20	0.01	-4.84	-4.37	-1.72	-2.39
Return on Fixed Assets	(%)	19.50	22.61	-15.32	-47.51	8.88	2.23
Assets Turnover	(Times)	0.72	0.66	0.71	0.65	0.71	0.59
Financial Policy Ratio							
Debt to Equity Ratio	(Times)	6.42	6.02	6.27	5.05	3.77	3.05
Interest Coverage Ratio	(Times)	1.78	1.44	-1.39	-3.46	3.51	2.85
Cash Flow Adequacy	(Times)	-0.07	-0.19	-0.82	-2.39	0.21	0.15

Remark: In accordance with the conditions of the two Long-Term Loan Agreements between the Company made with a commercial bank. and conditions specified in "Terms and Conditions Governing Rights and Obligations of Bond Issuers and Bondholders" for "Unsecured Bonds of the Company Nawarat Phatthanakan Public Company Limited No. 1/2022, due for redemption in 2024, "indicated that the ratio of net debt to equity according to consolidated financial statements Must not exceed 3.25 : 1 at the end of every quarter and at the end of the year, defined as follows:

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

	As at 31 December 2022Consolidated Financial Statement	As at 31 December 2021 Consolidated Financial Statement	As at 31 December 2020 Consolidated Financial Statement
Net Debt to Equity Ratio (times)	2.06	2.12	1.32

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

Subsidiaries/Joint ventures	2022			2021			2020		
	Total assets	Revenues	Profit (loss)	Total assets	Revenues	Profit (loss)	Total assets	Revenues	Profit (loss)
1. Nawarat - A.S. Associated Joint Venture	2	-	-	2	-	-	2	-	(1)
2. A.S. - Nawarat Joint Venture	1	-	(2)	1	-	(2)	1	-	(2)
3. Utility Business Alliance Co., Ltd.	807	664	68	550	534	52	370	533	37
4. Myanmar NWR Company Limited	-	-	(10)	-	-	(10)	-	-	(17)
5. Mana Patanakarn Co., Ltd.	1,493	446	(56)	1,481	714	23	1,845	408	(19)
6. Advance Prefab Co., Ltd.	1,346	837	36	1,269	485		1,624	1,838	(5)
7. Taste Maker Co., Ltd.	52	114	11	46	73	(12)	67	76	(10)
8. Nawarat (Cambodia) Company Limited	6	-	(2)	7	-	(1)	11	135	
9. Nawarat Advance Prefab Myanmar Company Limited	23	9	(10)	30	14	(5)	26	13	(2)
10. NTA Joint Venture	120	337	14	151	438	17	211	198	10
11. NCREC Joint Venture	194	89	-	178	90	(1)	124	122	(1)
12. TN Joint Venture	894	1,397	1	719	742	11	520	57	(5)
13. TN-CEI Joint Venture	91	106	4	42	11	-	-	-	-
14. NWR-AVP Joint Venture	52	129	(43)	97	82	3	-	-	-
15. Italian-Thai Nawarat Joint Venture	625	383	5	357	78	(2)	-	-	-
16. ITD-NWR Joint Venture	538	129	3	223	2	(3)	-	-	-
17. NTH Joint Venture	229	188	4	131	-	(1)	-	-	-
18. CAN Joint Venture	575	313	6	500	81	4	-	-	-
19. ITD-Nawarat Joint Venture	264	38	1	-	-	-	-	-	-
20. ITD-NWR Joint Venture	994	102	-						
21. NT Joint Venture	148	1	(1)	-	-	-	-	-	-

4.4.4 Financial ratio analysis

Financial ratio analysis (in accordance with the consolidated financial statement)

1. Liquidity ratio

Terms of debt repayment for trade receivables are classified into 45-60 days for government sector and 30 days for private sectors. However, the average debt collection period of the Company was 58 days in 2022, 83 days in 2021, and 94 days in 2020.

The average period of selling goods was 78 days in 2022, 81 days in 2021 and 99 days in 2020. The Company accelerated the production to deliver goods in accordance with the schedule and to use in construction projects. Main materials were also be purchased in advance to prevent the risk of price fluctuation.

The repayment period for trade payables was 99 days in 2022, 85 days in 2021 and 84 days in 2020.

The payment period from debtors has improved respectively, resulting in the Cash Conversion Cycle at a level that has improved accordingly, with 2022 equal to 37 days, 2021 equal to 79 days and 2020 equal to 109 days. The company must be careful and strict in debt collection. This is because the overall economic situation is still in trouble causing many debtors to have problems in business operations This affects the company in terms of liquidity in business operations as well. However, if economic and political conditions improve It is expected that the company's liquidity will improve accordingly.

Ratio according to the consolidated financial statement	2022	2021	2020
Ratio of cash flow liquidity	(0.0044)x	(0.07)x	0.05x

The Company has a problem with the liquidity ratio due to the increasing of construction cost in some projects and the delay in delivering projects to employers, which is caused by the conditions as specified in the construction contracts as well as the impact of COVID- 19 pandemic that influenced employers to delay the delivery. Another cause is the late payment of the trade receivables, non-compliance with the terms and conditions in the executed contracts. However, the Company endeavored to expedite the debt collection by regularly following up the payment. If the trade receivables have a liquidity problem, the Company provided them a chance to negotiate and seek for a solution together. Lastly, the Company may file a lawsuit for debt settlement. In addition, the Company has purchased main materials to ensure that they are sufficient for the entire project, in order to prevent the risk of price fluctuation. This resulted in the decreasing of the Company's liquidity of cash flow. The mentioned ratio was improved in the year 2020, although it was slightly improved and it was bounced back to the same problem in the year 2021.

2. Profitability ratio

Ratio according to the consolidated financial statement	2022	2021	2020
Gross profit margin	6.79%	0.56%	6.88%
Operating profit margin	1.38%	(5.42)%	0.45%
Net profit margin	0.28)%	(6.85)%	(2.43)%
Cash to profitability ratio	-0.25	N.A.(+1.27)	11.66x

Note: Note: The cash to profit ratio for 2021 cannot be displayed. Because the numbers are negative for both cash and profit.

The company has been facing profitability problems continuously since 2017. Construction costs have increased due to some problems, such as the employer's inability to deliver the construction site within the deadline. The employer has modified the construction drawings. or the construction encounters unexpected underground obstacles need to modify the construction drawings, etc. In 2018, every ratio shows profitability. However, the Company faced the same problem as it experienced in 2017, but was more severe due to many projects with high project values. Combined with the severe and continuous outbreak of COVID-19 since the end of 2019 until now, the costs and expenses of every project have been reduced. Much higher than the budget set when starting work.

The problems that the company is facing and must be closely monitored and corrected is the problem of receiving delayed payment from trade accounts receivable Not being paid on time Due to economic problems or liquidity problems of the debtors themselves, some years the company will receive payment from trade accounts receivable that the company has already recorded allowance for doubtful accounts. and recorded the reversal of the allowance for doubtful accounts from receipt of payment from the debtor who had already recorded the allowance for doubtful accounts.

3. Efficiency ratio

During 2020 to 2022, the Company has purchased new machines for specific projects. and to replace old machines The new tools, machines and equipment purchased in 2020, 2021 and 2022 have a total value of 44.19 million baht, 79.33 million baht and 264.03 million baht respectively. The company's performance from 2020 to 2021 shows a net loss performance. Therefore, the return on total assets, the return on fixed assets and the rate of return on equity therefore showing negative results. However, in 2022, the company's performance is net profit. Although the profit numbers are not high But it makes the company confident that the company will be able to generate a satisfactory rate of return continuously in the following years. The company's performance from 2020 to 2021 shows a net loss performance. Therefore, the return on total assets, the return on fixed assets and the rate of return on equity therefore showing negative results. However, in 2022, the company's performance is net profit. Although the profit numbers are not high But it makes the company confident that the company will be able to generate a satisfactory rate of return continuously in the following years.

Ratio according to the consolidated financial statement	As at the year ended 31-12-22	As at the year ended 31-12-21	As at the year ended 31-12-20
Return on total assets	0.20%	(4.84)%	(1.72)%
Return on fixed assets	19.50%	(15.32)%	8.88%
Return on equity	1.61%	(29.30)%	(7.71)%

4. Leverage ratio

As the company faced a loss from business operations, in 2020, the loss was 223.55 million baht (loss attributable to the shareholders of the company equal to 240.93 million baht), resulting in a higher debt to equity ratio. was equal to 3.77 times and in 2021 it showed a loss of 747.40 million baht (loss attributable to shareholders of the company equal to 768.34 million baht), the debt to equity ratio adjusted to 6.27 times year ended 31-12-21 but in 2022, the operation returned to show profit equal to 65.02 million baht (profit attributable to shareholders of the company equal to 37.00 million baht), debt to equity ratio equal to 6.42. The company is speeding up the problem. in order to return to profit continuously as soon as possible.

Ratio according to the consolidated financial statement	As at the year ended 31-12-22	As at the year ended 31-12-21	As at the year ended 31-12-20
Debt to equity ratio	6.42x	6.27x	3.77 x

5. General Information and Other Significant Information

5.1 General Information

Company Name	Nawarat Patanakarn Public Company Limited
Securities Abbreviation	NWR
Type of Business	Construction contracting business
Location	Bangna Towers A, 18 th -19 th Floor, No. 2/3 Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540
Company Registration Number	0107538000096
Registered Capital	2,585,481,515 Baht and paid-up capital of 2,585,481,515 Baht divided to 2,585,481,515 ordinary shares at the par value of 1 Baht per share
Website	www.nawarat.co.th
Telephone	(662) 730-2100
Fax	(662) 751-9484 to 90
Company's Secretary	Miss Pakatip Lophansri Tel. (662) 730-2197
Investor Relations Division	Mr. Weerayut Bunyaward Tel. (662) 730-2166
Auditor	EY Office Limited (Formerly Ernst & Young Office Limited) By Mrs. Poonnard Paocharoen Certified Public Accountant (Thailand) No. 5283 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Bangkok 10110 Tel. (662) 264-9090, Fax. (662) 264-0789-90
Legal Advisor	Weerawong, Chinnavat & Partners Ltd. 22 nd Floor, Mercury Tower, No. 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330 Tel. (662) 264-8000 Enlighten Corporation Co., Ltd. 41 Museum of Sustainable Buddhism Bldg., 3 rd Fl., Soi Pattanakarn 64, Pattanakarn Road, Prawet, Bangkok 10250 Tel. (662) 049-1095 Business Law Office Chingchai & Associate 2 nd Floor, Room 19, Saladaeng Executive Building, Saladaeng Road, Soi Yommarat, Silom, Bangrak, Bangkok 10500 Tel. (662) 637-5599, Fax. (662) 636-3862

Branch offices

Location 1796 Bangna-Trad Road, Bangna, Bangkok

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

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

Location 1796 Bangna-Trad Road, Bangna, Bangkok

Location 53/4 Moo 9, Prong Akat, Bang Nampreaw, Chachoengsao

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

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

Shell petrol station by Nawarat Patanakarn Public Company Limited

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

Share registrar

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

5.2 Other Significant Information

- None –

5.3 Legal Disputes

Legal disputes which the Company is one of the party in the case or dispute, focusing on the cases that may have an effect on the Company's assets more than 5% of the shareholders' equity as at December 31, 2021 (2,247 Million Baht), or equal to 112 Million Baht are as follows;

1. **Civil case: Black Case No. Por Kor. 6/2558 and Red Case No. Por Kor. 14/2560, the Central Bankruptcy Court**

Between: Nawarat Patanakarn Public Company Limited (Plaintiff), and
Premier Enterprise Public Company Limited (the First Defendant),
Premier Infrastructure Development Co., Ltd. (the Second Defendant)

Ground: Breach of contract (Claim for compensation)

Claim value: 478,774,424.87 Baht (compensation as per the decision of the court of first instance)

Status of the case: As a result of this case, the Supreme Court dismissed the lawsuit against the Company (plaintiff) and therefore ceased the execution of the case relating to the defendant's property. As a result of the case, the Company had written off trade accounts receivable in the amount of 651 million baht according to the judgment of the Supreme Court. The Company has already set aside the full amount of allowance for doubtful accounts from such accounts receivable.

2. **Civil case: Black Case No. Phor Bor. 912/2561, the Civil Court of Southern Bangkok**

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

Ground: Wrongful acts and claim for compensation

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

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

Status of the case: The Supreme Court has an order accepting the company's petition (plaintiff) and is waiting for the Supreme Court's judgment.

3. **Civil case: Black Case No. 1870/2543 and Red Case No. 5875/2545, the Civil Court of Southern Bangkok**

Between: Nawarat Patanakarn Public Company Limited (Plaintiff), and
LPCB Company Limited (Defendant)

Ground: Breach of contract, plead guilty

Claim value: 18,703,183.91 Baht

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

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

However, the Defendant has been sued (as the second defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company submitted an application for debt repayment as to be mentioned in item 6 hereof.

4 **Civil case: Black Case No. 23/2549 and Red Case No.953/2549, the Samutprakan Provincial Court**

Nawarat Patanakarn Public Company Limited by Miss Pakatip Lopandhsri, authorized representative, filed an application to the court for enforcement of the arbitration award.

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

However, LPCG Company Limited has been sued (as the first defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company submitted an application for debt repayment as to be mentioned in item 6 hereof.

5. **Civil case: Black Case No. 4818/2544, Red Case No. 14954/2545, the Civil Court of Southern Bangkok**

Between: Nawarat Patanakarn Public Company Limited (Plaintiff), and
LPCG Company Limited or The Seri Center Co., Ltd. (Defendant)

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

However, LPCG Company Limited has been sued (as the first defendant) by Phethai Asset Management Co., Ltd., its creditor, in bankruptcy case Black Case No. Lor. 10220/2549 and Red Case No. Lor. 11521/2550. Thus, the Company submitted an application for debt repayment as to be mentioned in item 6 hereof.

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

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

The Central Bankruptcy Court rendered a ruling on August 17, 2009, ordered that LPCG Company Limited or The Seri Center Co., Ltd. (the first debtor) and LPCB Company Limited or Suvit and Seri Co., Ltd. (the second debtor) are insolvent.

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

Currently, the case is during the process of collection of the debtors' assets in order to enforce the court order.

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

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

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

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

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

On September 15, 2016, the Official Receiver announced the third auction where Pruksa Real Estate Public Company Limited proposed for the land with the title deed No. 6324, 1798, 2413-2415, 3447, 3449, 3888, 165075-165082, 167467, 167468, 172218-172223, 79, 460 and 461 located Saphan Sung sub-district, Saphan Sung district (Bueng Kum), Bangkok, in total 27 lands, in amount of 710,000,000 Baht (Seven Hundred Ten Million Thai Baht). The buyer put 20,000,000 Baht (Twenty Million Thai Baht) as a deposit and executed a contract by agreeing that they will pay for the remaining amount of 690,000,000 Baht (Six Hundred Ninety Million Thai Baht). Afterwards, Pruksa Real Estate Public Company Limited applied for a payment extension and the Official Receiver allowed the extension and the payment shall be made on December 30, 2016.

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

On April 24, 2019, the Official Receiver appointed for the 1st checking of assets of LPCA Company Limited (Debtor) for distributing to creditors at the Asset Tracing and Distribution of Dividends Division. The Official Receiver ordered that Nawarat Patanakarn Public Company Limited shall get the 0.252 percent distribution as per Section 103 (70) which is 19,572.92 Baht.

Currently, the case is during the process of collection of the Debtor's assets in order to enforce the court order.

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

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

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

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

Currently, the award by the Office of the Arbitration Tribunal is being enforced. However, Metropolitan Waterworks Authority applied a motion to the Central Administrative Court, requesting the court to revoke the award of the Office of the Arbitration Tribunal as to be mentioned in item 9 below.

9. Case under the Central Administrative Court: Black Case No. 162/2560

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

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

On August 29, 2017, the Claimant opposed the defense and the defense to amend the counterclaim submitted to the Central Administrative Court by Nawarat Patanakarn Public Company Limited. On November 6, 2017, Nawarat Patanakarn Public Company Limited, as Defendant, submitted an additional defense to counter the opposition made by the Claimant. After that, on January 3, 2018, the Claimant submit additional defense. The Central Administrative Court gave a notice appointing the final date for inquire fact shall be June 21, 2018.

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

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

Currently, the case is under consideration by the Supreme Administrative Court.

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

5.4 Secondary Market

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

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

Siam Commercial Bank
9 Ratchadapisek Rd., Jatujak
Bangkok 10900 Thailand

6. Corporate Governance Policy

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

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

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

In 2022, the Company has reviewed and revised the Corporate Governance Policy in accordance with the standard and the principle of good corporate governance proposed at the Board of Directors' Meeting No.2/2023 on 28th February 2023, including providing communication and monitoring the policy accordingly.

6.1 Overview of Corporate Governance Policy and Practice

6.1.1 Policy and Practice Related to Committee

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

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

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

In 2022, there is neither resignation of the directors nor executives according to the corporate governance issue. Moreover, the Company had no violation in accordance with the regulations of the Stock Exchange of Thailand (SET) and/ or relevant authorities.

6.1.2 Policy and Practice Related to Shareholders and Stakeholders

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

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

Section 1 – Rights of Shareholders

The Company recognizes and emphasizes the rights of shareholders by implementing the related principles and not performing any actions which may violate or diminish their rights. The Company equally provides basic rights to individual shareholders. In 2022, the Company executed the actions as follows:

- The Annual General Meeting of shareholders (AGM) has been noticed to all shareholders fourteen days in advance in order to provide the shareholders time to prepare their schedule for the meeting attendance.
- The Company delivered the invitation letter of the Annual General Meeting of Shareholders to all shareholders seven days in advance and enclosed all related documents such as a copy of the minute of the Annual General Meetings of Shareholders of the year 2022, annual report of the year 2022, profiles of proposed directors who will be elected in replacement of those retired by rotation, profiles of independent directors who were assigned to be proxy of shareholders who are unable to attend the meeting, proxy form A-C, the Company’s regulations concerning the shareholders’ meeting, guidelines for registration, and a map of the meeting venue. The Company also posted the abovementioned documents on the Company’s website to facilitate shareholders who may receive the documents by delayed mail.
- The Company organized the Annual General Meeting of Shareholders for the year 2022 on Thursday, April 28, 2022 through Electronic Media (E-AGM) and arranged a live broadcast at 10 a.m. from the meeting room of the Company’s headquarter, Bangna Towers A, No 2/3, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540. The shareholders personally attended or were represented by their proxies are 26 persons who represent 307,808,254 shares, out of the total paid-up 2,585,481,515 shares, which are equal to 11.91 percent of all paid-up shares forming a quorum under clause no. 33 of the Articles of Association. The clause specified that this Annual General Meeting is re-arranged meeting since the AGM on April 7, 2022 could not be proceed because the shareholders at the meeting did not constitute the quorum in accordance with clause no. 103 of the Public Limited Companies Act.
- On the date of the Annual General Meeting of Shareholders, 8 directors out of 9 directors of the Company attended the meeting (equal to 89 percent) namely as follows:

Name	Position
Mr. Prasertphand Pipatanakul	Independent Director / Chairman / Audit Committee / Chairman of Corporate Governance Committee / Chairman of the Business Code of Conduct Committee
Mr. Apichart Dharmasaroja	Independent Director / Chairman of Audit Committee / Corporate Governance Committee / Business Code of Conduct Committee / Chairman of Risk Management Committee / Nomination and Remuneration Committee / Chairman of Corporate Social and Environmental Responsibility Committee
Mr. Nattaphorn Bhromsuthi	Independent Director / Audit Committee / Risk Management Committee / Corporate Social and Environmental Responsibility Committee
Mr. Polpat Karnasuta	Director / Corporate Governance Committee / Nomination and Remuneration Committee / Chairman of Executive Committee / Chief Executive Officer
Miss Pakatip Lopandhsri	Director / Corporate Governance Committee / Business Code of Conduct Committee / Risk Management Committee / Nomination and Remuneration Committee / Executive Committee / Senior Vice President / Company's secretary
Mr. Sook Sueyanyongsiri	Director / Corporate Governance Committee / Business Code of Conduct Committee / Risk Management Committee / Corporate Social and Environmental Responsibility Committee / Consultant to Chief Executive Officer and President
Mr. Mongkol Peerasantikul	Director / Corporate Governance Committee / Risk Management Committee / Executive Committee / President
Mr. Apathorn Karnasuta	Director ,Member of the Corporate Governance Committee, Member of the Code of Conduct Committee , Member of the Executive Committee
Mr. Pasan Swasdiburi	Director ,Member of the Corporate Governance Committee, , Member of the Executive Committee

Moreover, senior vice presidents and vice presidents in amount of 4 persons participated in the meeting to report the operating results of the Company to shareholders as well as to answer inquiries and receive suggestions/comments on various subjects raised by the shareholders. The Company requested independent legal advisors from Angkoon Pimpakorn Law Office Co., Ltd. to ensure that the meeting was transparent and in compliance with the law and the Articles of Association. The Company also invited an external auditor from EY Company Limited to attend the meeting since the beginning of the meeting to listen to the opinions and answer questions raised by shareholders.

Section 2 – Equitable Treatment to Shareholders

The Company adheres to the principle of equitable treatment to all shareholders without discrimination, whether major or minor ones, institutional or foreign investors. The Company treats all shareholders equally, emphasizes the protection of their basic rights, and encourages them to exercise their rights as defined by law. Shareholders shall equally obtain the completed information. Any shareholder who is unable to attend the meeting in person because of any inconvenience may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. The best practices implemented by the Company related to equitable treatment of shareholders are as follows:

- The Company facilitates foreign shareholders by preparing documents, such as meeting invitation letter, proxy forms, minute of the shareholders' meeting and the Company's annual report in both Thai and English languages. The Company website (www.nawarat.co.th) is also available in bilingual as well to serve all shareholders and any interested person.
- The Company indicated the guideline and criteria for proposing the agenda items, directors nomination, and submitting questions ahead of the AGM in order to enable minor shareholders to be part of company governance and be able to select a qualified director who will effectively perform their obligations. The Company announced a clear guideline and steps through the Company's website (www.nawarat.co.th). However, for the AGM 2021, none shareholder had proposed any agenda or nominated any person as directors nomination.
- The Company facilitated those shareholders who are unable to participate in the meeting by allowing them to give a proxy to their representatives or the independent directors. The Company sent out proxy forms and guideline for proxy appointment together with the meeting invitation letter to the shareholders at least seven days prior to the meeting and disseminates proxy form both in Thai and English languages with details and procedures through the Company's website (www.nawarat.co.th) more than fourteen days ahead of the meeting date.

In addition, the Company has established the following policy on the protection of use of internal information. And having a measure to ensure that such policy is informed and strictly complied:

1. Directors, executives and employees must not use an internal information of the Company or of business partners, obtained due to their duties, to buy/sell or offer to buy/sell or persuade others to buy/sell or offer to buy/sell the securities of the Company or of the business partners either for personal or others' benefits and they must strictly comply with the relevant laws.
2. Directors, executives, and employees must keep confidentiality of the internal information in which they are responsible, and not to disclose the information to other persons or unrelated personnel of the Company.
3. The Company prevents the misuse of internal information by restricting access to undisclosed information, allowing only the involved persons to access and provide only necessary information, and providing a security system for internal information which the owner of the information must instruct the involved personnel to strictly comply with the confidential obligation thereof.
4. Disclosure of information shall be made by the Company's authorized person only. Personnel having no duty to disclose information when being asked to disclose the information which they have no authority to disclose, shall suggest the inquired person to contact the authorized person in order to get accurate information.
5. Apart from information disclosed to the public, the Company considers that remaining information considered as confidential information for internal used only. Directors, executives, and employees must use the information under the framework of assigned duties and responsibilities.
6. Directors, executives, and employees shall protect information and shall not seek benefit from internal information, even though the status as employees has been terminated.
7. Directors and senior executives are required to disclose the reports to the Securities and Exchange Commission on their holding of securities as well as reporting on every change in such holding under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 (three) business days after the date of purchase, sale, transfer or acceptance of transfer.
8. Any person who disclosed information without permission, incurred damages to the Company, customers, and stakeholders shall be legally liable for such damages
9. The Directors are required to report to the Company's Secretary on any direct and indirect sell or purchase of the Company's securities at least 1 day prior to the selling or purchasing date.

In 2022, the Company did not receive any complaints, fines, accusations, or civil actions by corporate governance organization or relevant authorities due to inequitable treatment of shareholders in the area of repurchasing shares and/or limitation for shareholders to communicate with each other.

In addition, the Company did not receive any non-compliance complaints on the misuse of the Company's internal information for securities trading by the Directors or executives.

Section 3 – Roles of Stakeholders

The Company recognizes the importance of being responsible to all stakeholders. All groups of stakeholders are important to the Company's constant business operation and play important role in promoting the Company's business growth and sustainability. The Company commits to do its business in compliance with the "Corporate Governance Policy" and the "Business Code of Conduct Manual" as detailed below

Stakeholders	Principle	Guidelines
Shareholders	The Company encourages shareholders to exercise their basic rights and is committed to create sustainable growth, adds value and continuously provide appropriate returns to shareholders, respect shareholders' rights to equally receive necessary information and to be disclosed with an accurate information, including conduct its business with honesty, transparency and in compliance with the relevant rules, regulations and laws.	<ol style="list-style-type: none"> 1. Perform its duties with honesty, good faith, and transparency for the benefits of the Company and shareholders. Manage the business to ensure prosperity and stability of the Company and provide appropriate returns to shareholders. 2. Perform its duties to the maximum potential and capabilities for the benefits of the Company and the shareholders. 3. Respect the rights of shareholders; to disclose and report operating results, financial position, and supportive information of the Company accurately and completely. 4. Equitably and equally treat every shareholder.
Customers	The Company is committed to ensure the satisfaction and confidence of customers and public with qualified products and services under safety to their health, life, and properties with appropriate and fair price, continuously develop and upgrade standard of its product and services, treat all customers with fairness, provide complete and accurate information about services and make a customers' satisfaction survey which reflect an actual satisfaction level in order to constantly improve the services and maintain and continue its good relationship with customers.	<ol style="list-style-type: none"> 1. Treat all customers politely. 2. Strictly keep customers' information confidential. 3. Be trustworthy to customers. 4. Refrain from acceptance of assets or other benefits which having an excessive value from customers. If Directors, executives or employees receive such assets or benefits and later known that such assets having an excessive value, then the Directors, executives or employees must report to its supervisor without delay in order to proceed as appropriate on a case-by-case basis. 5. Avoid situation that may leads to conflict of interests with customers.
Business Partners	The Company treats all business partners with equality and integrity, recognizes mutual benefits, develops, and maintain long relationship with business partners, builds mutual trust and creates economic, social and environmental cooperation.	<ol style="list-style-type: none"> 1. Maintain mutual benefits with business partners by strictly adhere to the laws, agreements and conditions based on a mutual and fair return. 2. Refrain from demanding, receiving or offering any illicit benefits from/to business partners. 3. Operate procurement processes transparently.
Trade Competitors	The Company manages its business under a fair competition framework, does not seek confidential information about its competitors' trade secrets through dishonest and improper means and does not violate any intellectual properties of the business competitors or others.	<ol style="list-style-type: none"> 1. Compete under a fair competition framework. 2. Do not seek business competitors' secrets through dishonest or illegal means. 3. Do not discredit competitors by way of defamation or other improper and unfair manner.

Stakeholders	Principle	Guidelines
Creditors	Strictly honors all contractual conditions and obligations with the creditors, manage loan according to its objective, do not use loan in the way that will create damages to the Company and completely comply with conditions as mutually agreed. Including operating its business with fairness in order to create creditors' confidence and maintain repayment capability.	<ol style="list-style-type: none"> 1. Repay the loan and its interests on time. 2. Promptly negotiate with the creditors in advance, if any term and condition or agreement made with creditors could not be fulfilled, in order to mutually solve the issue.
Independent auditors	The Company recognizes the importance of an independent auditor, who is considered by shareholders as an important mechanism for auditing the executives' performance and ensuring that the financial report is accurate and adequate, by giving full cooperation to the auditor.	Provide accurate and complete information as well as facilitate the auditors when conducting the audit of the Company's financial report.
Employees	The Company realizes that employees are valuable assets, having good, capable, diligent, and honest employees will efficient the Company's operation, contribute success, and sustainable growth to the Company	<ol style="list-style-type: none"> 1. Develop organization into a learning organization. Foster working culture, ambience and enhance teamwork. 2. Pay proper remunerations which reflect knowledge, ability, responsibility, and performance of the employees. 3. Monitor working environment to be safe for health, life, and properties of employees. 4. Enhance employees' competency to advance and secure their careers by focusing on their knowledge and ability development. 5. Inform key information, e.g. rights and duties to employees on orientation day. 6. Ensure that the provision of rewarding and punishment is determined on righteousness and fairness basis. 7. Comply with all laws and regulations in relation to labors and welfare of employees. 8. Listen to opinions and suggestions of employees at all levels fairly and equally. 9. Treat all employees base on the basic of human dignity, respect the human rights, fair treatment and do not crate discrimination. 10. Provide the employees an opportunity to define guideline of welfare management to meet the employees' requirement, provide appropriate welfare, hygienic working area, working conditions, and well-being of the employees.

Stakeholders	Principle	Guidelines
		11. Provide protective equipment to protect employees from any threaten at work and provide first aid kit.
Government Sector	Set a practical guideline for dealing with the government in order to comply with laws and regulations	<ol style="list-style-type: none"> 1. Comply with rules and regulations relevant to the operation and comply with the practical guideline for dealing with the government in order to comply with laws and regulations. 2. Provide cooperation and support to the 3. government policies for the benefits of the country under relevant laws and regulations. 4. Intent to pursue projects for public beneficial. Co-operate with government agencies with transparency, honesty, fairly hospitality, and refrain from bribery the government agencies to facilities the business operation.
Communities, Society, and Environment	The Company aims to conduct its business based on responsibility to communities, society, and environment, in terms of safety, quality of life, preservation of natural resources, recognition the importance of community, society quality of life and the surrounding area of construction sites and plants.	<ol style="list-style-type: none"> 1. Provide support to community and societies in any beneficial aspects. 2. Allocate a proportion of profits to contribute for community and social development. 3. Take into account on environmental impacts from the beginning stage of project construction, selection of technology, including production procedures, waste elimination procedures as well as innovative research and development for efficient usage of energy. 4. Support any activities that are beneficial to communities and society as a whole. 5. Respond rapidly and efficiently to any incidents that may cause harms to communities, society and environment resulted from the Company's business operation and provide good cooperation to officers and related government authorities. 6. Do not provide cooperation or support to any person or entity who does illegal business or business that is detrimental to the society and national security. 7. Do not do anything that may destroy the reputation of the country. 8. Continuously cultivate employees a sense of responsibility towards community and social.

Occupational Health and Safety Management

Since the construction business is considered having high risks, the Company realizes the importance of occupational health and safety. Thus, the Company defined the policy and practical guideline for occupational health and safety management as follows:

1. Continuously operate and develop an occupational health and safety management system in accordance with TIS 18001 & OHSAS 18001 standards and compliance with other legal requirements and other standard specifications.
2. Control and improve working sites and prevent employees and related parties from health hazard associated with fire, chemicals, electrical, machinery, emergency incidents, occupational diseases, and other dangers within acceptable risk level.
3. Provide sufficient resources such as personnel, operation time, budget and suitably and adequately training.
4. Encourage all employees to join activities and express their opinions on occupational health and safety.
5. Review the effectiveness of occupational health and safety management standard procedure at least once a year.
6. Risk factors for any occupational diseases must be zero.

Environmental Management

Since the construction business highly affects the environment, the Company recognizes the importance of the environmental responsibilities in conducting the business and defined the environmental policy which covers three principles as follows:

1. Pollution prevention
2. Regulations and law adherence
3. Constant improvement

The Company reviewed and improved the environmental policy to be in line with the Environmental Management System ISO 14001:2015 and to cover the social and environmental responsibility issues, the Company developed an environmental management system to minimize the impact on the environment to be within an acceptable level as details below:

1. Promote and comply with the related laws in relation to the environment and strictly follow the regulations on the environmental management system ISO 14001.
2. Commit to promote energy preservation and efficiently use of resources.
3. Prevent and control the disposal of trash, wastewater and air pollution caused by the Company's business activities.
4. Ensure that the preventive and controlling measures are continuously be implemented and reviewed.
5. Educate and cultivate social and environmental awareness to the employees at all levels, contractors and persons involved in order to create mutual agreement to develop and responsible for society and environment.
6. Constantly support activities to fulfil the environmental policy framework and communicate with employees and relevant persons as well as disseminate to the public.

Therefore, the Company has established sustainability policy to determine sustainable framework in relation to economy, society, and environment. The Company has communicated the policy towards employees through email and the Company's website.

Section 4 – Information Disclosure and Transparency

Disclosure of information is an important indicator of transparency of the operation and is a key factor in building confidence towards investors and all stakeholders. The Company recognizes the importance of information disclosure and has a policy to equitably, completely, adequately, reliably, timely and transparently disclose the Company's important financial and non-financial information, in both Thai and English languages, to all related parties and in compliance with the requirements regulated by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand on the websites of Stock Exchange of Thailand and the Company's website. In 2021, the Company carried out the below practices;

1. The Board of Directors established the policy that the Company shall disclose both financial and non-financial information such as financial statements, operation results, the Company's information, nature of business, organization structure, shareholding structure, business group structure and shareholding proportion, information relating to directors, sub-committees, executives, investors' relation information, related transactions, the Company's Articles of Association, the Business Code of Conduct and the Corporate Governance Policy with accuracy and completeness through three main channels below:
 - 1) Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) by providing detailed information on important topics including business overview, nature of business, risk factors, securities shareholders' information, management structure, corporate governance, social responsibility, internal control and risk management, related transactions, operation results, future projects and financial status.
 - 2) The quarterly and annually Management Discussion and Analysis (MD&A), which provides detail regarding operation, financial, analysis and explanations of factors causing changes in performance results, progress report of projects under construction, key factors or influences that may affect future results and financial status. This report provides shareholders and investors with enough accurate information for their decision making on investment and monitoring the Company's performance.
 - 3) Disclosure of information via the www.nawarat.co.th under "Investor Relations" in both Thai and English languages to facilitate investors and the interested person to study the information. The website has been regularly updated. Disclosed information includes annual report, annual registration statement (Form 56-1), Corporate Governance Policy, Business Code of Conduct, anti-corruption policy, company's profile, nature of business, financial statements, shareholding structure, dividend payment policy, organizational structure, business structure, profile of directors, sub-committees and executives, investors' relations information, the Company's important documents, meeting invitation, operation results and financial ratios, etc.
2. The Company set up an Investor Relation Section under the New Business and Strategic Planning Department to serve as a center for disclosing and communicating the information, whether financial or non-financial, to shareholders, investors, and securities analysts, through various channels and media of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including mass media, telephone, and the Company's website www.nawarat.co.th, in both Thai and English versions. The Company expected the Investor Relation Section to be a significant intermediary that provide information, clarification, answering question, as well as listening and exchanging opinions with shareholders. In the case investors, securities analysts and those who are interested would like to receive the Company's information to consider before investing, please contact through the below channel.

Mr. Weerayut Bunyawad
Investor Relations Section
Nawarat Patanakarn Public Company Limited
18th–19th Floor, Bangna Tower A, 2/3 Moo 14
Bangna – Trad Road, K.M. 6.5, Bangkaew, Bangplee, Samutprakarn 10540
Tel.: +66 (0) 2730 - 2166
Fax: +66 (0) 2751 - 9484
E-mail: ir@nawarat.co.th

In 2022, the Company has arranged the following investor relations activities:

- Three Analyst Meetings
- Three Opportunity Days

3. The Company has joined the Stock Exchange of Thailand (SET) in organizing quarterly “Opportunity Day” activity so that the senior executives may present the Company’s quarterly reports on performance results and explain business progress such as expansion projects, new projects, business trends and how to deal with positive and negative impacts caused by internal and external factors. Which is a good opportunity for executives to meet and answer the questions enquired by analysts, investors, shareholders, and mass media in person. In addition, SET provides a live broadcast via SET’s website and set up computer monitor in front of the Company’s executives so that the viewers can post their questions and get real time responses from the executives during the Q&A session.
4. The Company disclosed its financial information and reported the responsibility of the Board towards the financial report together with the auditor’s report, the explanation of financial status, the Management Discussion and Analysis (MD&A) and report on important information and major decisions to the Securities and Exchange Commission and the Stock Exchange of Thailand with accuracy, completeness, punctuality and in compliance with the requirements.
5. The Company’s financial statements have been certified by the auditors without the qualified opinion and without any amendment which complied with an external governing requirement.
6. The Company disclosed roles and responsibilities of the Board and the sub-committees, number of meetings and number of attendances of each Director in 2021.
7. The Company has stipulated measures and procedures for related transaction approval. Any Director, executive or related person will be able to conduct business with the Company or its subsidiaries after such transaction has been approved by the Shareholders’ meeting. Whereas such transaction is considered as a trade agreement without any influence, in which a reasonable person would properly make with a general business partner under the same circumstance, while the negotiation absented of any influence due to their status of being a director, an executive or related person, as the case may be. And such transaction must be approved by the Board of Directors or is in compliance with the guideline approved by the Board.
8. The Company has established measures on the protection and the verification of the use of internal information for personal benefits, by requiring Directors and senior executives to submit the list of their holding securities and report on every change of the list in compliance with requirements stipulated by the Securities and Exchange Commission. Including, issuance a policy that Directors and executives must report the sale/purchase of the Company’s shares or securities to the Meeting of the Board of Directors every time when there is any change.

In addition, the Company prohibits Directors, executives and employees involved with any internal information from disclosing such information to the outsider or those who are not involved. And forbids Directors, executives and employees involved with the preparation of the Company's financial statement or any other related information are forbidden to purchase or sell the Company's securities prior to disclosure of financial statements to the public.

9. The Company established a policy on reporting interests of Directors and senior executives and set requirements that the Directors and executives must report the Company their own or their related persons which related to the business management of the Company or its subsidiaries, pursuant to the requirements stipulated and announced by the Capital Market Commission. The Company discloses information about the Directors and executives' interests in the annual report (Form 56-2) and the annual registration statement (Form 56-1).

Section 5 – Responsibilities of the Board

The Board of Directors realizes their responsibilities and roles in determining the direction of the Company's business operation to be in accordance with laws, objectives, the Articles of Association, and shareholders' resolutions. Including, regulating the policies, vision, mission, and strategic plans every five years and reviewing them annually to make them suitable for the changes in business environment; as well as monitoring the management to efficiently and effectively conduct the business in accordance with the established policies under the good corporate governance principle for the utmost benefits of the Company, adding the economic value and the highest wealth to shareholders (More details can be found in topic No. 7.2.3 Responsibilities of Committee, Section 7 Corporate Governance)

6.2 Business Code of Conduct

The Company expects Directors and executives to show their intention to operate business with transparency, morality, honesty, including perform duties in accordance with the standards of Business Code of Conduct and take shareholder benefits into an account. The Company also encourages employees to perform their duties with responsibility, honesty, transparency, morality as well as behave appropriately, and keep developing skill and knowledge.

Therefore, the Company has established a working team to monitor and promote Business Code of Conduct. To encourage related personnel to strictly comply and create awareness at the same time, the working team has created "White Journal" which was communicate directly to related parties through the Company's email.

6.3 Significant Changes and Developments in Policy, Practice, and System of Corporate Governance in the Past Year

6.3.1 Significant Changes and Developments in Policy, Practice, and System of Corporate Governance in the Past Year, Including Overview of Corporate Governance Policy and Practice

1. The Company received 100 votes out of 100 from the evaluation of quality of the Annual General Meeting of Shareholders for the year 2022 from the Thai Investors Association.
2. In 2022, the Company's corporate governance was evaluated by Thai Institute of Directors (IOD) and earned "Very Good" level or 4 stars by Thai Institute of Directors (IOD),

6.3.2 Compliance with the Principles of Good Corporate Governance in Other Areas.

The Company has reviewed and revised business operation in accordance with the Stock Exchange of Thailand Principles of Good Corporate Governance 2012 by proposed on the Board of Directors' Meeting No.12/2020 on November 10, 2020, including adopted GC Code 2017 of Securities and Exchange Commission (SEC) in order to grow the Company's business sustainably. The adoptions are described as follows.

Head of compliance unit

The Company has assigned Head of Compliance Unit to coach and monitor Directors, executives, and employee to comply with the laws, regulations, policies, announcements and related restrictions in the previous year. Please refer to Compliance topic for more information.

Sustainability policy

The Company has established Sustainability Policy to determine sustainable framework in relation to economy, society and environment, which could drive the Company to grow further in a stable and sustainable way. Please refer to Sustainability development topic for more information.

Report on securities holding by Directors and executives

The Company required Directors and executives to prepare and disclose securities holding report of themselves, their spouse and underage children, as well as reporting on every change in securities holding such as purchasing, selling and transferring. The Directors and executives shall report the mentioned activities to the Company, thus the Company shall properly disclose to the Stock Exchange of Thailand in accordance with the intention of Section 59 of the Securities and Exchange Act B.E. 2535 (1992) and the Notification of the Office of Securities and Exchange Commission ("SEC"), SorJor 12/2552, concerning the preparation and disclosure of the report on securities holdings by Directors, executives, and auditors.

The list of direct and indirect securities held by Directors and executives as of December 31, 2022.

Directors/ executives	Balance as of January 1, 2022	Change		Balance as of December 31, 2022
		Gain	Trade	
Mr. Prasertphand Pipatanakul	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Apichart Dharmasaroja	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Nattaphorn Bhromsuthi	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Polpat Karnasuta	264,910,285	-	-	264,910,285
Spouse and underage children	-	-	-	-
Miss Pakatip Lopandhsri	109,177	-	-	109,177
Spouse and underage children	-	-	-	-
Mr. Sook Sueyanyongsiri	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Mongkol Peerasantikul	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Apathorn Karnasuta	9,953,573	-	-	9,953,573
Spouse and underage children	-	-	-	-

Directors/ executives	Balance as of January 1, 2022	Change		Balance as of December 31, 2022
		Gain	Trade	
Mr. Pasan Swasdiburi	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Nicolino Pasquini	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Nivate Lenghong	-	-	-	-
Spouse and underage children	-	-	-	-
Mr. Somchai Woonpresert	-	-	-	-
Spouse and underage children	-	-	-	-

6.3.3 The Company has not yet complied with the principles of good corporate governance in the following matters

Directorship in other listed companies held by the Company's Chief Executive Officer and determinants of Chief Executive Officer compensation

The Company has not determined the exact period for the Company's Chief Executive Officer to hold a directorship position in other listed company yet. At present, Chief Executive Officer does not hold a directorship position in any other listed companies. The Company shall conduct performance evaluation at least once a year in order to determine Chief Executive Officer compensation and disclose the information in various forms, including determine Chief Executive Officer duties. Please refer to executives' remuneration topic.

The Board of Directors shall consist of more than 50 percent of Independent Directors and at least having 1 female Independent Director, including the matter of tenure

The Company has defined diverse Board's structure, covering gender, age, educational level, knowledge, competency, professional skills, working experiences and specialization. The Directors who hold the position at the moment having knowledge, expertise and hold engineering and construction experiences which is beneficial to the Company's operation. The Board consists of 3 Independent Directors out of 9 Directors or equivalent to 43 percent.

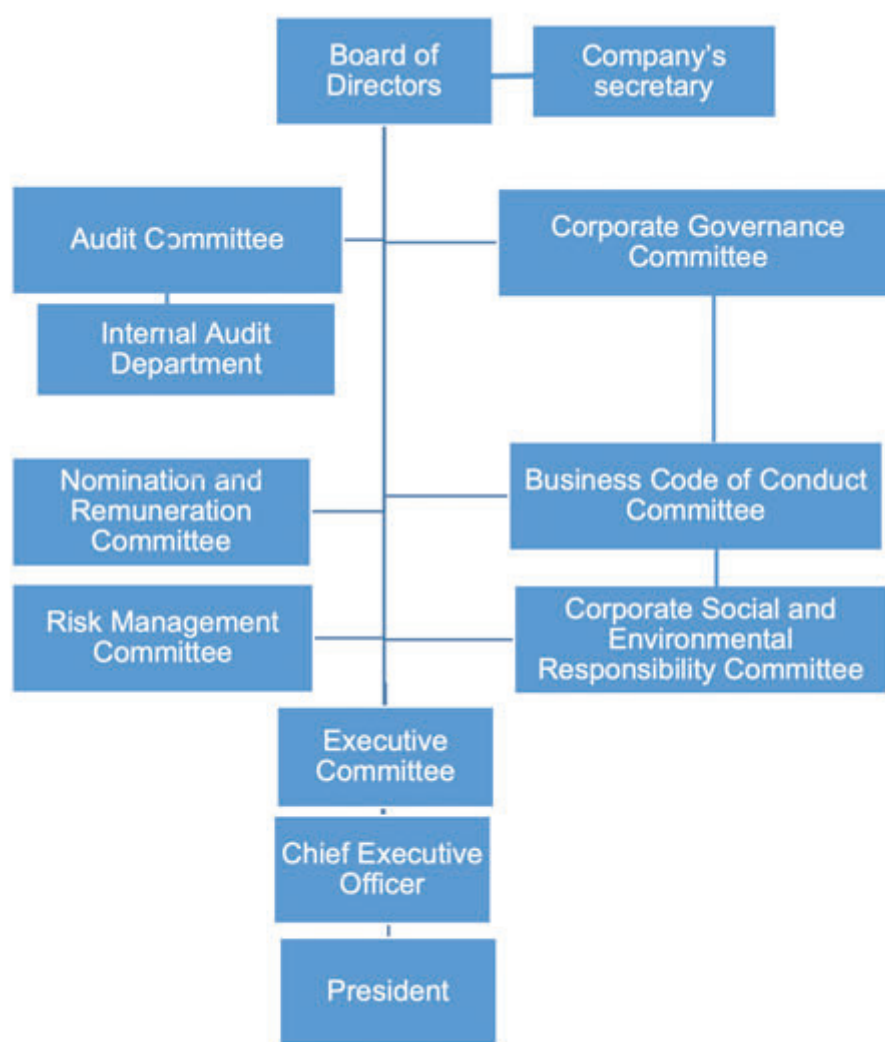
Moreover, the Nomination and Remuneration Committee is responsible for considering Board's structure that is suitable for the organization regardless of gender, race, religion, age, professional skills and other qualifications, including the change in environmental context.

The tenure of Independent Directors shall not exceed 9 consecutive years. As the Board of Directors considered that continuing to hold the position of Independent Directors would utmost support the Company's operations since they have working experience, specialization and they could freely comment on management performance.

7. Corporate Governance Structure and Key Information Related to Directors, Sub-Committees, Executives, Employees and Others

7.1 Corporate Governance Structure

The Company is committed to operate the business in compliance with the good corporate governance principles, announced by the Stock Exchange of Thailand and Securities and Exchange Commission, at all levels according to the organization's management structure, which consists of the Board of Directors, Audit Committee, Corporate Governance Committee, Business Code of Conduct Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social and Environmental Responsibility Committee, and Executive Committee.



7.2 Board Structure and Composition

The Company's Board of Directors consists of qualified persons with knowledge, abilities, skills, and experiences which useful to the Company. As at December 31, 2022, the existing Board of Directors consists of 9 directors comprised of 6 executive directors which are equal to 67 percent, and three independent directors which are equal to 33 percent. The Chairman of the Board is an independent director according to the definition regulated by the Stock Exchange of Thailand, who has no relationship with the executives, and is a different person from the President in order to completely separate their responsibilities as well as a balance the operating power.

Names and positions of the members of the Board of Directors are as follows:

Name	Position
1. Mr. Prasertphand Pipatanakul	Independent Director (Chairman)
2. Mr. Apichart Dharmasaroja	Independent Director
3. Mr. Nattaphorn Bhromsuthi	Independent Director
4. Mr. Mongkol Peerasantikul	Director
5. Mr. Polpat Karnasuta	Director
6. Mr. Sook Sueyanyongsiri	Director
7. Miss Pakatip Lopandhsri	Director
8. Mr. Apathorn Karnasuta	Director
9. Mr. Pasan Swasdiburi	Director

The Company set a policy on the diversification of the Board's structure whereas the Board shall have a range of diversified structure which comprise of gender, age, educational level, knowledge, professional skill, work experience, and expertise. The Company believes that the diversification of the Board's structure is a crucial factor in creating a balance of ideas, work quality and efficient decision making by the Board, which will be useful to the Company's business operation. This practice is also adopted and applied by the Company's subsidiaries and associated companies.

For utmost benefit of the Company to gain the effective dedication of the Directors' time, the Board of Directors established the policy to take a position of Director in other companies as follows:

1. Director can take a position in Nawarat Patanakarn Public Company Limited and its subsidiaries and associated companies.
2. To be a director in other companies, of which the business is similar to or competitive with the business of the Company, a request must be submitted for obtaining an opinion from the Audit Committee prior to proposal for approval by the Board of Directors and the shareholders respectively, before being appointed to such position.
3. The Company defined the policy in the Charter of the Board of Directors that the Company's director shall not hold the director position other than specified in clause 1 which when combined must not exceed 5 places in the other listed companies. The holding of the position of director in any listed company must be informed to and approved by the Board of Directors' Meeting before being appointed to such position.

In 2022, Directors have strictly complied with the policy to take the position of director in other listed companies. Each Director held a position in listed companies not exceeding 5 places.

Independence of Director

The Company's Directors have a duty to consider, provide opinions, make decisions, and cast a vote to protect the interests of shareholders. Hence, independence of director is definitely recognized. The Company allows the Independent Directors to access financial and business information adequately in order to freely provide recommendations. The Directors required to maintain the interests of related persons, to attend the meeting regularly and to have a meeting among each other at least twice a year.

The Company defined the qualifications of the Independent Directors in accordance with the requirements prescribed by the Capital Market Supervisory, the Securities and Exchange Commission and the Stock Exchange of Thailand. Including the additional qualifications as defined by the Company, so that the independent directors could protect the interests of all shareholders equally, prevent conflict of interest and freely express their opinions in the meeting.

Roles, duties and responsibilities of the Chairman

- 1) Call for the meeting of the Board of Directors, being a chairman of the meeting and schedule the meeting agenda with the President.
- 2) Control the meeting to be effective, in compliance with the Articles of Associations, and support the Directors to independently express their opinion.
- 3) Be a chairman in the Shareholders' Meeting.
- 4) Support and encourage the Board of Directors to perform their duties in a full capacity under the scope, responsibility, and the good corporate governance principles.
- 5) Supervise the management of the Board of Directors, the Management Committee, and sub-committees to achieve the objectives.
- 6) Have a casting vote in case the meeting of the Board of Directors encounter an equal vote in both sides.

Roles, duties and responsibilities of Directors

The Board of Directors shall perform their duties by concerning integrity, transparency, fairness, and duty of care.

The Board's duties and responsibilities are separated into two parts as follows:

1) Define directions, policies, and business strategies

- Control and supervise business operation of the Company to strictly adhere to applicable laws, objectives, rules, articles of association, and resolutions of the meeting of shareholders, maintain the interests of the Company and its shareholders in accordance with the good corporate governance principles.
- Define vision, mission, direction, and strategies of the Company; review such vision and mission regularly at least every five years to ensure that vision and mission are in line with the change of business.
- Supervise the Company's business conduct in compliance with the rules and regulations of the related agencies; disclose information adequately, correctly, completely, transparently and with proper standard to shareholders and all related parties.
- Approve key strategies, policies, financial goals, and business plan and monitor compliance with the defined work plans.
- Consider and approve annual budgets for investment and operation as well as the utilization of the Company's resources.
- Ensure that the Company has a suitable compensation system or mechanism for senior executives to induce short term and long term motivation.
- Arrange an Annual General Meeting of Shareholders with in 4 (four) months from the last day of the fiscal year of the Company and arrange an Extraordinary Meeting of Shareholders, if necessary.
- Hold the Board of Directors' monthly meeting.
- Provide consultation, discuss problems in a thorough and extensive manner and discreetly make a decision to the matters according to the meeting agenda.
- Authorize the Chief Executive Officer (CEO) to operate the Company's business as well as employees to coherence with the business situation.

2) Monitor the operation of the management for balancing by the following ways:

- **Disclosure of the Company's information**

- Set up efficient and effective accounting system, financial report, auditing, internal control, and internal audit system.
- Ensure that the Company has proper systems to communicate with each group of shareholders and stakeholders.
- Ensure that information disclosed is accurate, clear, transparent, reliable and in line with the high standard.
- Prepare a balance sheet, cash flow statement and profit and loss statement at the last day of fiscal year of the Company and propose to the Meeting of Shareholders at the Annual General Meeting for consideration and approval. The Board of Directors shall arrange for the auditors to complete the auditing before proposing to the Meeting of Shareholders.
- Arrange a report on important financial and general information in a correct, complete and sufficient manner to shareholders and confirm the verification of information reported.
- Monitor, supervise, and solve problems arising from transactions which may lead to conflict of interest and related party transactions.

- **Internal control and risk management**

- Establish proper risk management and ensure that the management has effective systems or procedures for risk management.
- Ensure that the Company has proper internal control, internal audit, financial control system, operation, operating compliance, risk management, and risk management control.

Nomination, Appointment, Dismissal, and Retirement of Directors

Nomination and appointment

The Nomination and Remuneration Committee shall propose the nomination of director to the Board of Directors and the Board shall present it to the Shareholders' Meeting for appointment as per the criteria and methodology stipulated in the Articles of Association of the Company as detailed below:

1. Nomination of Independent Directors

The Nomination and Remuneration Committee will nominate directors who are qualified in terms of skills and experiences which are useful to the Company and meet the qualifications of Independent Director according to the requirements stipulated by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, and other qualifications as stipulated by the Company.

Qualifications of Independent Directors as follows:

- Holding not more than 1 percent of the total paid-up shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- Neither being nor having been an executive, employee, wage earners, advisors who regularly receive a salary, or personal consultant of person who gets authorization to manage the Company, its subsidiary or associated company, unless the foregoing status ended for a period not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, e.g. being customers, business partners, creditor and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment.

- Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- Neither being nor have been an auditor of the Company, subsidiary, associated company, or other entity that might have conflict of interest. And not being a major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary, associated company, unless the foregoing relationship ended for a period not less than three years from the date of appointment.

2. Nomination of Directors

Criteria

The Nomination and Remuneration Committee will nominate and select persons to be appointed as directors to replace those Directors who vacate office, both resignation prior to the end of term and retirement by rotation by considering the proper proportion, number and composition of the Board. The Nomination and Remuneration has systematically determined the criteria of director's nomination as follows:

- Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, the Stock Exchange of Thailand, and the Company's regulations.
- Having knowledge, ability and experience in a variety of fields. The Company has defined 4 necessary skills for director nomination as follows:
 - 1) Engineering
 - 2) Accounting, financial, and banking
 - 3) Marketing strategy and competition
 - 4) Legal skill relating to business
- Having characteristics supporting and promoting the corporate governance to create value to the Company such as
 - 1) Having a leadership competency
 - 2) Having a broad vision
 - 3) Having ethics and morality
 - 4) Having transparent work experience without malfeasance
 - 5) Must not possess any prohibited characteristics pursuant to the law
 - 6) Having an ability to express opinions independently

Nomination Procedures

The Board of Directors set out the procedures for directors' nomination. The Nomination and Remuneration Committee proceeds in accordance with the following procedures:

1. Nominate qualified candidates to fill the vacancy. The Nomination and Remuneration Committee may propose the Board to set up ad hoc committee comprise of the Board or third party to nominate person, or in some cases using director pool of Thai Institute of Directors (IOD) as a tool to seek for candidates to be nominated.
2. Consider qualifications of the candidates. The Company allows shareholders to nominate candidates in advance for electing as directors by the Annual General Meeting of the Shareholders.
3. Propose the nomination to the Board for consideration and appointment (in case of interim vacancy).
4. Propose the nomination to the Board for consideration and approval for submission to the Annual General Meeting of Shareholders for an appointment.

In addition, the Company has implemented Board Skill Matrix to guide the selection of suitable and qualify directors and executives that would be necessary for the Company's current and future operation.

Position/ qualification	Engineer	Financial and accounting	Business Administration and Marketing	Architecture
Chairman / Independent Director	✓		✓	
Chairman of Audit Committee / Independence Director	✓	✓	✓	
Independence Director	✓			✓
Director / Chief Executive Officer			✓	
Director / President	✓			
Director	✓			
Director		✓	✓	
Director			✓	
Director	✓	✓		

The Company has 3 directors who are not holding executive position. However, they have experience in construction business which is the Company's core business.

Pursuant to the Articles of Association, the criteria and procedure for appointment of directors by shareholders are as follows:

1. Each shareholder shall have one vote for each share held.
2. Each shareholder shall exercise all of his/her voting rights that he/she has under clause (1) to elect one or several persons as director (s), but he/she may not allot his/her votes.

Dismissal and Retirement of Director

Dismissal of Director

The Meeting of Shareholders may pass a resolution to dismiss any Director from his/her position prior to the expiration of the Director's term, by voting. The number of votes shall not be less than three out of four, considered from the number of shareholders who attended the meeting and having a voting right. In addition, the number of shares counted from the votes shall not be less than a half of the shares held by the attended shareholders who have the right to vote.

Retirement of Director

1. Term expired

Pursuant to the Articles of Association, in every Annual General Meeting of Shareholders, at least one-third of the Directors shall be vacated. If the number of Directors cannot be divided into a multiple of three, the number of Directors nearest to one-third (1/3) shall be retired. The directors to be retired in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the Director who has held office longest shall be retired.

2. Resignation

The Charter of the Board determines that a Director who desires to resign from the position shall submit a resignation letter to the Company at least 30 (thirty) days in advance. The resignation shall be effective on the date that the Company received the resignation letter.

Authorities of the Board of Directors

The Board of Directors must perform its duties in compliance with laws, objectives, the Articles of Association, and the resolutions of Shareholders' Meeting with integrity, prudence and in the best interests of shareholders in both short term and long term. As well as, adhering to the rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Commission. The authorities of the Board of Directors are as follows:

- The Board of Directors is empowered to appoint a Director as a Chairman and could appoint a Vice Chairman, as it deemed appropriate.
- The Board of Directors is empowered to appoint a Director as a Chief Executive Officer, and could appoint any person to be a Company's Secretary, as it deemed appropriate.
- The Board of Directors has a right to attend trainings or to participate in activities in order to increase their knowledge on concerning work by using the Company's resources.
- The Board of Directors has an authority to consider the endorsement of acquisition or distribution of assets except such transactions required a resolution from the Shareholders' Meeting. However, such endorsement would have complied with the announcements, regulations, and/or requirements related to the Office of Securities and Exchange Commission.
- The Board of Directors has an authority to consider endorsement of related transactions except such transactions required a resolution from the Shareholders' Meeting. However, such endorsement would have complied with the announcements, regulations, and/or requirements related to the Office of Securities and Exchange Commission.
- The Board of Directors has an authority to consider the endorsement for loans or any credit applications from financial institutions or the setting up of the new revolving credit line (O/D) as well as any investment or land procurement, within a budget of more than 200 Million Baht per transaction.

Delegation of authorities by the Board of Directors

The Company defines that the two authorized Directors, by their joint signatories, may authorize other persons to perform the business on behalf of the Company within a certain period. However, the delegation of authority and responsibility of the Board of Directors will not be considered as delegation or sub-delegation which in any manner enables the Board or its attorneys to be able to approve any transactions for themselves or for any potential person having a conflict of interest against the Company and its subsidiaries.

Succession Plan

The Board of Directors sets out the succession plan for the positions of CEO and President by assigning the Nomination and Remuneration Committee to prepare the succession plan and propose to the Board of Directors for consideration.

For senior executives, the Human Resource Department shall prepare the succession plan and propose to the Executive Committee, with CEO as Chairman, for consideration.

The designated person in the succession plan shall possess suitable qualifications as prescribed by the Company, as well as other qualities such as having business vision, knowledge, proficiency and experience, that well suit the Company's corporate culture.

Orientation for New Director

The Company recognizes the importance of the duty of Directors and has therefore defined a practical guideline on preparation for Directors' performance. To enable new Directors to perceive the Company's expectations of their roles, duties and responsibilities, including the Company's policies, business and corporate governance practices. The guideline will enable them to understand about the Company's business and operation, as well as to visit the business units in order to be prepared to perform their duty promptly, the guideline has details as follows:

1. Coordinate in providing the Company's details to new Directors.
2. Provide "Directors Guidebook" to new Directors, the guidebook contains the Company's information and relevant crucial laws. The guidebook consists of Articles of Association of the Company, objectives of the Company, affidavit of the Company, Public Company Limited Act, Securities and Exchange Act, guidebook for Directors of a listed company, Charter of the Board of Directors and the sub-committees, Business Code of Conduct, Good Corporate Governance Policy Handbook and the other policies of the Company.
3. Arrange meetings with the CEO, Board of Directors, sub-committees and executives to make them informed of the Company's business operation. The presentation should present a whole picture and in details under the topics namely, the Company's history, vision, mission, strategies, management structure, operating data and business activities.

Meeting of the Board of Directors

The Company holds the Board of Directors' Meeting once a month and may convene an extraordinary session, if necessary. The meeting will be prescheduled with an exact date, time and agenda details all year round. The meeting invitations specifying agenda details together with the supporting documents shall be sent to all Directors at least 7 days ahead of the meeting to allow them with enough time to prepare before the meeting, except in an urgent case to protect the Company's interest. The Company shall prepare and complete the minute of the Board of Directors' meeting within 14 days from the meeting date. All Directors can check the minute of the meeting anytime by making request to the Company's Secretary. The Company retains the minutes which certified by the Board of Directors along with relevant documents.

The Company defines criteria and quorum for the Meeting of the Board of Directors as follows:

- To form a quorum in the meeting, at least half of the Directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substitute chairman of the meeting. However, if the vice chairman has been appointed earlier, the vice chairman shall substitute the Chairman in that meeting.
- The resolution of the meeting will take into account the majority of votes, each Director has one vote, except Director with vested interest in any agenda must abstain from voting on that item. If the number of votes is equal, the Chairman will cast the decisive vote.
- The Company defined the minimum quorum for voting in the Charter of the Board of Directors. Therefore, the Meeting of the Board of Directors must be attended by Directors not less than 2 out of 3 of the total number of the Directors.

In 2022, Directors have strictly complied with the policy regarding the minimum quorum to vote at the Board of Directors' meeting. The Directors were present at the meeting not less 2 out of 3 of the total number of the Directors.

- To call for the meeting, the Chairman or the assigned persons shall send the meeting invitations to all Directors at least 7 days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given by other means and the meeting can be convened earlier.

In 2022, the Company held a total of 13 Board of Director's Meetings and the summary of Directors' attendance is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	13	13	100
2. Mr. Apichart Dharmasaroja	13	12	92
3. Mr. Nattaphorn Bhromsuthi	13	10	77
4. Mr. Polpat Karnasuta	13	13	100
5. Miss Pakatip Lopandhsri	13	13	100
6. Mr. Sook Sueyanyongsiri	13	13	100
7. Mr. Mongkol Peerasantikul	13	13	100
8. Mr. Apathorn Karnasuta	13	10	77
9. Mr. Pasan Swasdiburi	13	13	100

Furthermore, the Board of Directors' Meeting has considered the amendment of Committee Charter to align with the good corporate governance regarding the Meeting of Independent Directors, report of Directors and executives' securities trading and performance evaluation of individual Board's member.

The Company has arranged Independence Directors' Meeting No. 1/2023 on Tuesday, December 17, 2023, without any management personnel in such meeting, to consider the Company's operating result and discuss on management matters as well as any related topics.

7.3 Sub - Committees

1. The Audit Committee

The Board of Directors has appointed the Audit Committee which comprises of Directors who have the qualifications as required by the Securities and Exchange Law. The Audit Committee consists of 3 Independent Directors, namely:

Name	Position in the Audit Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Prasertphand Pipatanakul	Committee	Independent Director
3. Mr. Nattaphorn Bhromsuthi	Committee	Independent Director

Duties and Responsibilities of the Audit Committee

- Ensure the accuracy and sufficiency of information disclosure, including a reliability of the financial statements report in accordance with general accounting standard.
- Ensure that the Company has duly complied with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and other regulations and laws related to the Company's businesses.
- Consider, select and nominate an independent person to be the Company's auditor and propose such person's remuneration. In addition, propose to remove the Company's auditors in case the auditors cannot perform their duties or perform duties improperly, including attending non-management meeting with the auditors at least once a year.
- Ensure that the Company has an internal control and internal audit system which are sufficient, appropriate and effective. Including, determination on independency of the internal audit unit as well as approving the appointment, transfer or dismissal of the head of the internal audit office or related parties.
- Review the related transactions or any transactions that may lead to conflicts of interests to make sure that they are in compliance with the laws and regulations stipulated by the Stock Exchange of Thailand, reasonable and for the highest benefit of the Company.
- Ensure that the Company has sufficient, appropriate and effective risk management system.
- Review and give comment on an internal audit plan and performance of the internal audit office.
- Prepare the Audit Committee's annual performance report, which shall be signed by the Chairman of the Audit Committee, consists of at least the following information:
 - a) opinion on an accuracy, completeness and credibility of the Company's financial report;
 - b) opinion on an adequacy of the Company's internal control system;
 - c) opinion on a compliance with the Securities and Exchanges laws, the Stock of Thailand regulations or the laws relating to the Company's business;
 - d) opinion on a suitability of the external auditors;
 - e) opinion on transactions which may lead to conflicts of interest;
 - f) number of the Audit Committee's meeting and attendance of each committee member in such meeting;
 - g) opinion or overview of comments received by the Audit Committee from its performance due to the duties in accordance with the Charter; and
 - h) other transactions which, according to the Audit Committee's opinion, should be known by the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.
- Request or invite the management, executives or relevant parties to give statements or useful information, join meeting or deliver documents as deemed relevant and necessary.
- Review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities, propose any required amendments if necessary.
- Oversee that there is an effective whistle blowing system in place so that the whistleblower, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing as well as a non-compliance to any laws, regulations, business code of conduct or to any corporate governance policies, has a confidence that the Company has an appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues.
- Execute other duties as assigned by the Board of Directors.

The Audit Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. However, the re-appointment shall be in accordance with the Audit Committee Charter.

The Audit Committee must hold meetings at least 4 times per year, together with the external auditors, the internal auditor, the executives, and the executives who responsible for accounting and finance in order to review the financial statements and report to the Board of Directors. In 2022, the Audit Committee convened a total of 12 meetings and had meetings with the external auditors in every quarter. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	12	11	92
2. Mr. Prasertphand Pipatanakul	12	12	100
3. Mr. Nattaphorn Bhormsuthi	12	11	92

Furthermore, the Board of Directors' Meeting has considered the amendment of Audit Committee Charter to align with the good corporate governance principles regarding the removal of auditors who cannot perform their duties or perform duties improperly.

2. The Corporate Governance Committee

The Corporate Governance Committee consists of 9 Directors from the Board and 3 of which are Independent Directors, namely:

Name	Position in the Corporate Governance Committee	Position in the Board
1. Mr. Prasertphand Pipatanakul	Chairman of the Committee	Independent Director
2. Mr. Apichart Dharmasaroja	Committee	Independent Director
3. Mr. Nattaphorn Bhormsuthi	Committee	Independent Director
4. Mr. Polpat Karnasuta	Committee	Director
5. Mr. Sook Sueyanyongsiri	Committee	Director
6. Mr. Mongkol Peerasantikul	Committee	Director
7. Miss Pakatip Lopandhsri	Committee	Director
8. Mr. Apathorn Karnasuta	Committee	Director
9. Mr. Pasan Swasdiburi	Committee	Director

Duties and responsibilities of the Corporate Governance Committee

- Establish the Corporate Governance Policy under current legal framework, the cabinet's resolutions, principles, rules and regulations stipulated by the governing organizations such as the Stock Exchange of Thailand, the Securities and Exchange Commission and relevant agencies as well as international standards of corporate governance. Propose the drafted policy to the Board of Directors for approval and announce the approved policy to be used as the best practice of the Directors, the executives and employees at all levels.
- Oversee and give advice to the Directors, the executives and employees of the Company on how to perform their duties and fulfill their responsibilities in accordance with frameworks and criteria of the Corporate Governance Policy.
- Set a guideline for reporting the corporate governance compliance in the Company's annual report.

- Consider and approve the announcement of the Company's corporate governance issues to public as well as amend a circulation of corporate governance information on the Company's website.
- Consider, review and revise the corporate governance policy continually at least once a year to keep the Company's Corporate Governance Policy up-to-date and well-adjusted to the international standards.
- Review the Corporate Governance Charter to be up-to-date and well-adjusted to the international standards.
- Execute other duties as assigned by the Board of Directors.

The Corporate Governance Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. However, the re-appointment shall be in compliance with the Charter of the Corporate Governance Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

The Corporate Governance Committee must hold meetings at least twice a year. In 2022, the Corporate Governance Committee convened a total of 2 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	2	2	100
2. Mr. Apichart Dharmasaroja	2	2	100
3. Mr. Nattaphorn Bhromsuthi	2	2	100
4. Mr. Polpat Karnasuta	2	2	100
5. Mr. Sook Sueyanyongsiri	2	2	100
6. Mr. Mongkol Peerasantikul	2	2	100
7. Miss Pakatip Lopandhsri	2	2	100
8. Mr. Apathorn Karnasuta	2	2	100
9. Mr. Pasan Swasdiburi	2	2	100

3. The Business Code of Conduct Committee

The Business Code of Conduct Committee consists of 6 Directors of the Board and at least half of the total members must be Independent Directors, namely:

Name	Position in the Business Code of Conduct Committee	Position in the Board
1. Mr. Prasertphand Pipatanakul	Chairman of the Committee	Independent Director
2. Mr. Apichart Dharmasaroja	Committee	Independent Director
3. Mr. Sook Sueyanyongsiri	Committee	Director
4. Mr. Nicolino Pasquini	Committee	Director
5. Mr. Apathorn Karnasuta	Committee	Director
6. Mr. Nocolino Pasquini	Committee	-

Duties and responsibilities of the Business Code of Conduct Committee

- Consider, define and approve the Business Code of Conduct, the Anti-Corruption Policy and the Code of Ethics to be used as the practical guideline for the Directors, the executives and employees towards shareholders, communities and society, and propose to the Board of Directors for approval.
- Consider and review the Business Code of Conduct and the Anti-Corruption Policy to be efficient and appropriate for the situation.
- Oversee, supervise and monitor to ensure compliance of the Business Code of Conduct, the Anti-Corruption Policy and the Code of Ethics have been strictly and continuously followed by all units in the Company.
- Execute other duties as assigned by the Board of Directors.

The Business Code of Conduct Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Business Code of Conduct Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

The Business Code of Conduct Committee must hold meetings at least twice a year. In 2021, the Business Code of Conduct Committee convened a total of 2 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Prasertphand Pipatanakul	2	2	100
2. Mr. Apichart Dharmasaroja	2	2	100
3. Mr. Sook Sueyanyongsiri	2	2	100
4. Miss Pakatip Lopandhsri	2	2	100
5. Mr. Mongkhon Peerasantikul	2	2	100
6. Mr. Apathorn Karnasuta	2	2	100
7. Mr. Nocolino Pasquini	2	2	100

4. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 4 directors and at least a half of them must be Independent Directors, namely:

Name	Position in the Nomination and Remuneration Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Nattaphorn Bhromsuthi	Committee	Independent Director
3. Mr. Polpat Karnasuta	Committee	Director
4. Miss Pakatip Lopandhsri	Committee	Director

Duties and responsibilities of the Nomination and Remuneration Committee

- Consider the appropriate structure, size and composition of the Board of Directors to suit the organization and the change of situation.
- Ensure that the structure of Board of Directors comprises of ethical and honest experts who are knowledgeable, experienced and skillful in diverse fields relevant to the business. Furthermore, a selection of directors shall be done without discrimination of gender, race, religion, age, professional skill, or other qualifications.
- Consider the criteria for selecting Directors, as well as select and nominate qualified persons to be considered by the Board of Directors before further submission to the Meeting of Shareholders for appointment as Directors.
- Consider qualifications of the Independent Directors to be in line with the criteria defined by the Securities and Exchange Commission and by the Company.
- Allow minority shareholders, with an appropriate time prior to the meeting of shareholders, the opportunity to propose qualified persons for Directors' selection.
- Set criteria for selecting CEO/ President.
- Select and nominate qualified persons to be considered by the Board of Directors for appointment as CEO/ President.
- Formulate succession plans for CEO, President and senior executive positions and submit to the Board of Directors for consideration.
- Consider compensation method and standard for directors, members of the sub-committees (except for the Nomination and Remuneration Committee itself) as well as for the CEO and President, so that they are equitable and appropriately corresponds to the respective assigned duties, responsibilities, achievement of their performance in terms of the Company's profits, and current business environment. The proposed compensation plan should also be comparable to those of other companies within the same or similar industry and business sector as the Company, and take into account the increase of value to the shareholders equity in the long term.
- Consider the compensation for Directors and sub-committees in order to propose it to the Board of Directors for endorsement and further propose for the approval of the Meeting of Shareholders.
- Define goals and evaluate the performance of the CEO and President to determine reasonable compensation.
- Consider knowledge development plans and training programs for existing and newly appointed directors to be suitable and in line with roles and responsibilities of their position and their role as the Board of Directors as well as other development which is critical to the business operations of the Company.
- The Nomination and Remuneration Committee has a right to attend trainings or to participate in activities to enhance knowledge and expertise by using resource of the Company.
- Invite executives or any related persons to attend the meeting in order to provide relevant information.
- Execute other duties as assigned by the Board of Directors.

The Nomination and Remuneration Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Nomination and Remuneration Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

In 2022, the Nomination and Remuneration Committee convened a total of 2 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member was as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	3	3	100
2. Mr. Nattaphorn Bhromsuthi	3	3	100
3. Mr. Polpat Karnasuta	3	3	100
4. Miss Pakatip Lopandhsri	3	3	100

5. The Executive Committee

The Executive Committee consists of 8 members, namely:

Name	Position in the Executive Committee	Position in the Board
1. Mr. Polpat Karnasuta	Chief Executive Officer	Director
2. Mr. Mongkol Peerasantikul	President	Director
3. Miss Pakatip Lopandhsri	Committee	Director
4. Mr. Apathorn Karnasuta	Committee	Director
5. Mr. Pasan Swasdiburi	Committee	Director
6. Mr. Somchai Woonpresert	Committee	-
7. Mr. Nivate Lenghong	Committee	-
8. Mr. Nicolino Pasquini	Committee	-

Duties and responsibilities of the Executive Committee

- Formulate the Company's business strategies, business operation plan, and the operating results of the Company to be the most effective and efficient.
- Review the Company's operational performance from time to time to find prompt solutions to achieve the planned business targets.
- Review and endorse annual budgets and large scale investment projects of the Company before submitting to the Board of Directors for approval.
- Set up organizational structure and carry out efficient management covering recruitment, trainings, employment, termination of employment, and compensation of executives and employees.
- Provide advice to the Board of Directors for making decisions on important issues and execute other duties as assigned by the Board of Directors.
- Act as a Company's representative and execute other duties on behalf of the Company with outsiders.
- The Executive Committee has the authority to consider the expenditures on investments within the amount of 200 Million Baht per transaction.

Duties and responsibilities of the Chief Executive Officer

- Manage and operate the Company's business in accordance with the policies and authorities defined by the Board of Directors.
- Set up business targets, either long or short term, on the annual business plan including expenses budgets and long-term strategic plan and submit to the Board of Directors for approval; also report progress of the approved plan and budgets to the Board every 3 months.
- Manage work operation through the chain of command to achieve the objectives set on the Business plan by creating competitive competency and providing proper returns to shareholders.
- Allocate resources and recruit potential work force, then utilize them for the utmost benefit.
- Assign, appoint, remove, transfer, change the staff or employees' position; reduce or cut salary or wages; conduct disciplinary punishment; and dismiss employees according to the Human Resources Management regulations.
- Promote and build up strong corporate culture to support the vision and the business growth.
- Closely monitor the Company's business operation, evaluate operating results and report matter undertaken by the management to the Board of Directors in a timely manner.
- Consider and screen the Company's policies, business directions and undertaken matters that may affect the Company's business and matters relating to applicable laws and regulations of the Stock Exchange of Thailand; and present to the Board of Directors for approval.
- Prepare the documents detailing the operating authority for decentralization to employees in order to enable them to perform their duties efficiently and flexibly without losing control and submit to the Board of Directors for approval.
- Prepare report of financial status and financial statements, submit them to the Board of Directors for consideration and approval quarterly.
- Has an authority to approve any procurement in an amount exceeding 500,000 Baht per transaction.

The Company recognized the importance of the good corporate governance principle, thus, the Company organizes meeting constantly to review and revise Corporate Governance Policy. The Company reviewed and revised the Corporate Governance Policy in accordance with the standard and the principle of good corporate governance proposed at the Board of Directors' Meeting No.2/2023 on 28th February 2023. According to the revision, the Company defined Chairman and Chief Executive Officer are able to hold director positions in other listed companies, not more than 3 companies. Currently, Chairman and Chief Executive Officer held the director position of not over than 3 companies.

The Executive Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Executive Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

6. The Risk Management Committee

The Risk Management Committee consists of 11 members, namely:

Name	Position in the Risk Management Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Nattaphorn Bhromsuthi	Committee	Independent Director
3. Mr. Sook Sueyanyongsiri	Committee	Director
4. Mr. Mongkol Peerasantikul	Committee	Director
5. Miss Pakatip Lopandhsri	Committee	Director
6. Mr. Somchai Woonprasert	Committee	-
7. Mr. Nivate Lenghong	Committee	-
8. Mr. Nicolino Pasquini	Committee	-
9. Mr. Visut Suwanwitwaj	Committee	-
10. Mr. Warawut Nakpairat	Committee	-
11. Mr. Kumpanart Maneechot	Committee	-

Duties and responsibilities of the Risk Management Committee

- Define, review and approve Risk Management Policy and risk management masterplan. Set and regulate the Company's risk management system as well as consider and review risk management plans to be efficient and appropriate for each situation.
- Evaluate, monitor and oversee risks to ensure that they are at appropriate levels.
- Oversee, supervise and monitor to ensure that all departments within the Company continuously comply with the Risk Management Policy.
- Consider and approve budgets and expenses for operation regarding risk management and monitor sufficiency of resources to be used for risk management.
- Monitor risks status of the Company and report to the Board of Directors and the Audit Committee.
- Form a working team as deemed appropriate.
- Execute other duties as assigned by the Board of Directors.

The Risk Management Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Risk Management Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

In 2022, the Risk Management Committee convened a total of 3 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	Total Attendance	Percentage
1. Mr. Apichart Dharmasaroja	3	3	100
2. Mr. Nattaphorn Bhromsuthi	3	3	100
3. Mr. Sook Sueyanyongsiri	3	3	100
4. Mr. Mongkol Peerasantikul	3	3	100
5. Miss Pakatip Lopandhsri	3	3	100
6. Mr. Visut Suwanwitwaj	3	3	100
7. Mr. Warawut Nakpairat	3	3	100
8. Mr. Kumpanart Maneechot	3	3	100

7. The Corporate Social and Environmental Responsibility Committee

The Corporate Social and Environmental Responsibility Committee consists of 8 members, namely:

Name	Position in the Corporate Social and Environmental Responsibility Committee	Position in the Board
1. Mr. Apichart Dharmasaroja	Chairman of the Committee	Independent Director
2. Mr. Nattaphorn Bhromsuthi	Committee	Independent Director
3. Mr. Sook Sueyanyongsiri	Committee	Director
4. Mr. Pasan Swasdiburi	Committee	-
5. Mr. Nicolino Pasquini	Committee	-
6. Mr. Somchai Woonprasert	Committee	Director
7. Miss Vipavee Leumnate	Committee	-
8. Mr. Kridchai Suthiluck		

Duties and responsibilities of the Corporate Social and Environmental Responsibility Committee

- Set out the Company's Corporate Social Responsibility (CSR) Policy framework and activity plan, propose to the Board of Directors for approval. The Committee may invite the executives, employees or concerned persons to give opinions, join meeting or submit relevant information.
- Appoint working team to perform corporate social responsibility (CSR) activities as deemed appropriate; monitor its performance by assigning to prepare performance report on CSR activities and present to the Corporate Social and Environmental Responsibility Committee.
- Review performance outcome of CSR activities and report to the Board of Directors.
- Monitor and report the current and emerging sustainable development, CSR issues and trends to the Board of Directors.
- Review and approve disclosure of corporate social responsibility report in the Company's annual report.
- Consider and approve budget and expenses for exercising CSR activities.
- Execute other duties as assigned by the Board of Directors.

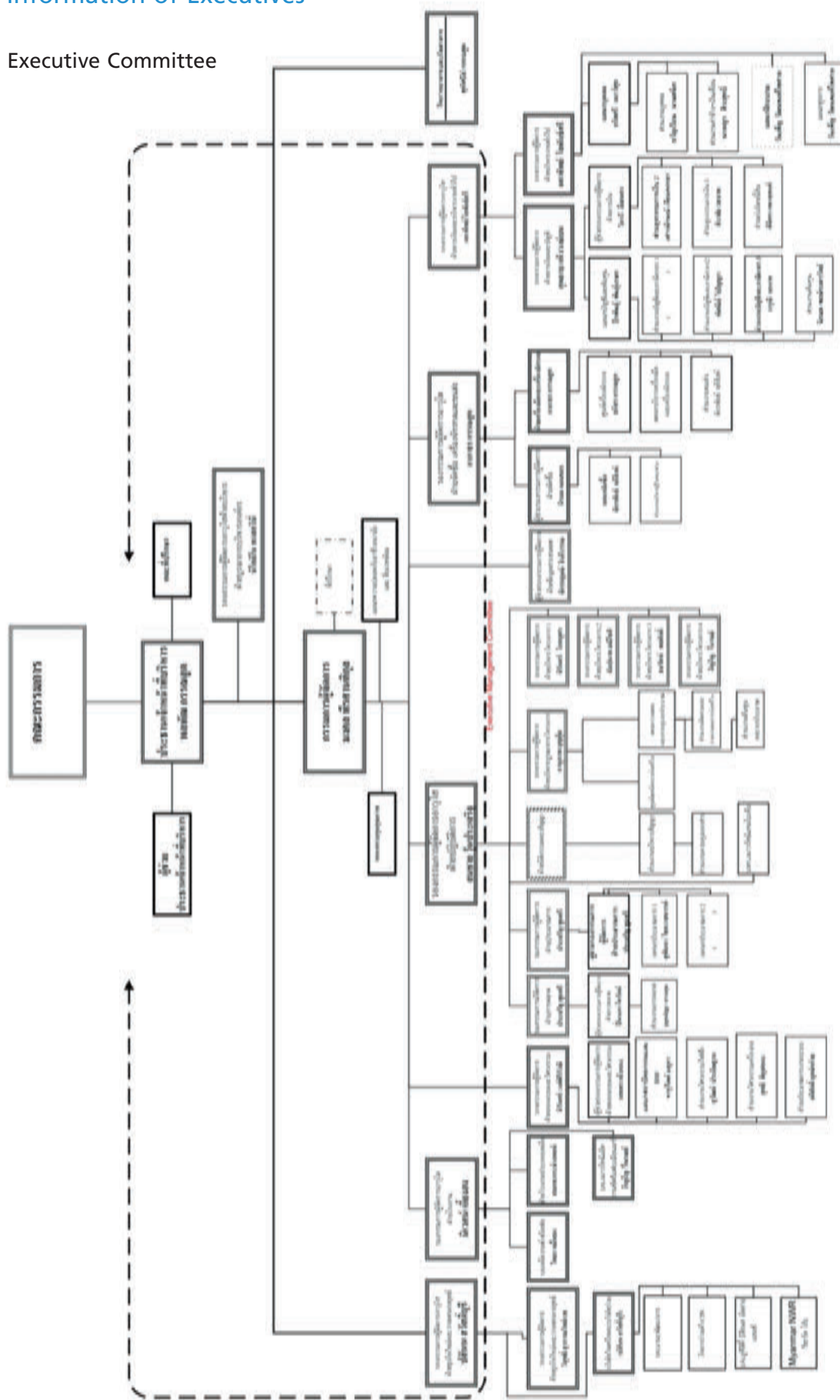
The Corporate Social and Environmental Responsibility Committee has 3 years office term. However, when the term is completed, the members may be re-appointed. The re-appointment shall be in compliance with the Charter of the Corporate Social and Environmental Responsibility Committee approved by the Board of Directors' Meeting No. 9/2015 on September 17, 2015.

In 2022, the Corporate Social and Environmental Responsibility Committee convened a total of 2 meetings and reported performance to the Board of Directors. The meeting attendance of each committee's member is as follows:

Name	Total Number of Meetings	TotalAttendance	Percentage
1. Mr. Apichart Dharmasaroja	2	2	100
2. Mr. Nattaphorn Bhromsuthi	2	2	100
3. Mr. Sook Sueyanyongsiri	2	2	100
4. Mr. Somchai Woonpresert	2	2	100
5. Miss Kularb Kawvongbon	2	2	100
6. Mr. Kridchai Suthiluck	2	2	100
7. Miss Vipavee Leumnate	2	2	100
8. Mr. Kridchai Suthiluck	2	2	100

7.4 Information of Executives

7.4.1 Executive Committee



Notes and Remarks:
1) Special Project such as Non-Operative JV managed by CMO

The Company's executives as of December 31, 2021 are as follows:

Name	Position
1. Mr. Polpat Karnasuta	Chief Executive Officer
2. Mr. Mongkol Peerasantikul	President
3. Mr. Apathorn Karnasuta	Senior Vice President of Procurement & Logistic Department
4. Mr. Pasan Swasdiburi	Senior Vice President of New Business & Strategic Planning Department
5. Mr. Nicolino Pasquini	Senior Vice President of Corporate Integral Management Department
6. Mr. Nivate Ienghong	Senior Vice President of Factory Department
7. Mr. Somchai Woonprasert	Senior Vice President of Operation Department
8. Miss. Pakatip Lopandhsri	Senior Vice President of Finance and General Management Department
9. Mr. Visut Suwanwitwaj	Vice President of New Business & Strategic Planning Department
10. Mr. Anupab Boonkum	Vice President of Integral Operation Management Department
11. Mr. Nirun Pokkabut	Vice President of Project Management Department 1
12. Mr. Kumpanart Maneechot	Vice President of Project Management Department 2
13. Mr. Thanarat Parasak	Vice President of Project Management Department 3
14. Mr. Pinyo Ruenrom	Vice President of Project Management Department 4
15. Mr. Nirun Wongsirungsri	Vice President of Design and Engineering Department
16. Mr. Prasert Poonsri	Vice President of Estimate Department
17. Miss Vipavee Leumnate	Vice President of Finance & Accounting Department

The first eight names are executives according to the definition of the Securities and Exchange Commission (SEC).

Scope of duties of Chief Executive Officer

The meeting of the Board of Directors No.6/2006 on July 3, 2006 resolved to authorize the Chief Executive Officer to manage and oversee the Company's business operation in accordance with the Company's policy and the requirements stipulated in the Memorandum of Association covering but not limited to the following authorities:

1. To open/close and deposit/withdraw from saving accounts with financial institutes both domestic and international.
2. To undertake or cancel transactions and to bid in tendering sessions, enter into joint venture agreement, perform juristic act to sign and bind the Company (with the scope of liability not exceeding 2,000 Million Baht per transaction for contingent liability) whether in domestic or international, based on the consideration of the Company's liability values as follows: direct liabilities and contingent liabilities.
3. To apply for a credit, mortgage or put-up other securities (with the scope of liability not exceeding 1,000 Million Baht per transaction for direct liabilities and not exceeding 2,000 Million Baht per transaction for contingent liabilities) whether in domestic or international.
4. To invest and buy/sell investment units (not exceeding 200 Million Baht per one time) both domestic and international.
5. To invest and sell investments in other companies (not exceeding 200 Million Baht) both domestic and international.

6. To buy/sell fixed assets such as land and machinery (not exceeding 200 Million Baht of the book value per transaction) both domestic and international.
7. To perform any matter as assigned by the Board of Directors which shall not in breach of the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

However, the authorities and authorization granted to suitable persons do not include the authorities and/or authorization in approving any matters that he or any persons who may have conflict or indirectly get involved in the conflict of interests with the Company and/or subsidiary companies according to the regulation of the Stock Exchange of Thailand and/or the Securities and Exchange Commission's announcements. Such transactions are required to be proposed to the Board of Directors' Meeting and/or the Shareholders' Meeting for consideration and approval as specified by the Company's regulations or applicable laws.

Scope of Duties of the President

The Board of Directors' Meeting No. 6/2006 held on July 3, 2006 resolved the approval to authorize the President to manage and oversee the Company's business operation in accordance with the Company's policy and the requirements stipulated in the Memorandum of Association which covering but not limited to the following authorities:

1. To govern/ manage the day-to-day operation of the Company. Monitor and evaluate the Company's operation regularly to prevent risks from internal and external factors and to report to the Board of Directors the operation results including the cooperation with external agencies in compliance with the law. Including arranging any procurement associated with the Company's normal operation activities.
2. To have the authority to consider the employment of the personnel, appoint, transfer, change the employee's field of work/section/department or dismiss the employee from his/her job. Including determination of salaries, remunerations, bonus payments, and welfare for all corporate employees.
3. To have the authority to take legal actions, withdraw charges, defense against any lawsuit, request the execution of court decision, proceed the process of arbitration, report or withdraw complaints on criminal cases, file petitions and appeal to the bureaucracy, take any action to maintain the Company's proper rights.
4. To open/close and deposit/withdraw from saving accounts with financial institutes both domestic and international.
5. To undertake or cancel transactions and to bid in tendering sessions, enter into joint venture agreement, perform juristic act to sign and bind the Company (with the scope of liability not exceeding 1,000 Million Baht per transaction for contingent liability) whether domestic or international based on the consideration of the Company's liability values as follows: direct liabilities and contingent liabilities
6. To apply for a credit, mortgage or put up other securities (with the scope of liability not exceeding 500 Million Baht per transaction for direct liabilities and not exceeding 1,000 Million Baht per transaction for contingent liabilities) whether domestic or international.
7. To invest and buy/sell investment units (not exceeding 100 Million Baht per one time) both domestic and international.
8. To invest and sell investments in other companies (not exceeding 100 Million Baht per one time) both domestic and international.
9. To buy/sell fixed assets such as land and machinery (not exceeding 100 Million Baht of the book value per transaction) both domestic and international.
10. To perform any matter as assigned by the Board of Directors, which is not in conflict with the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

However, the authorities and authorization granted to suitable persons do not include the authorities and/or authorization in approving any matters that he or any persons who may have conflict or indirectly get involved in the conflict of interests with the Company and/or subsidiary companies according to the regulation of the Stock Exchange of Thailand and/or the Securities and Exchange Commission's announcements. Such transactions are required to be proposed to the Board of Directors' meeting and/or the Shareholders' Meeting for consideration and approval as specified by the Company's regulations or applicable laws.

7.4.2 Remuneration Policy for Directors and Executives, Including the Amount of Remuneration

Remuneration of Directors

The Company has established a clear and transparent policy on remuneration for Directors and sub-committees, their duties also take into account on policy establishment. The Nomination and Remuneration Committee shall consider and scrutinize remuneration of the Directors and the sub-committees by taking into account fairness and appropriateness, including consideration of the same nature of business before presenting to the Board of Directors. The Board of Directors shall approve the remuneration of the sub-committees and the shareholders shall approve the remuneration of the Board of Directors.

In 2022, the Board of Directors considered and reviewed the remuneration for the Directors and the sub-committees and presented to the Annual General Meeting of Shareholders on April 28, 2022 for consideration and approval of the remunerations of Directors and the sub-committees for the year 2022. The remuneration structure is as follows:

Position	Amount (Baht/person/year)
Chairman of the Board	624,000
Directors	408,000
Chairman of Audit Committee	319,000
Audit Committee members	229,200

In 2021, the Company paid remunerations to the Directors and the sub-committees as follows:

Name of Director	Position	The Board of Directors			The Audit Committee		
		Remuneration per month (Baht)	Number of months	Position	Remuneration	Number of months	Amount paid in Year 2021 (Baht)
1. Mr. Prasertphand Pipatanakul	Chairman	52,000.00	12	Member	per month	12	853,200.00
2. Mr. Apichart Dharmasaroja	Director	34,000.00	12	*Chairman	(Baht)	5	674,700.00
				Member	19,100.00	7	
3. Mr. Nattaphorn Bhromsuthi	Director	34,000.00	12	Member	19,100.00	5	503,500.00
4. Mr. Polpat Kamasuta	Director	34,000.00	12				408,000.00
5. Mr. Sook Sueyanyongsiri	Director	34,000.00	12				408,000.00
6. Miss Pakatip Lopandhsri	Director	34,000.00	12				408,000.00
7. Mr. Mongkol Peerasantikul	Director	34,000.00	12				408,000.00
8. Mr. Apathorn Kamasuta	Director	34,000.00	8				272,000.00
9. Mr. Pasan Swasdiburi	Director	34,000.00	8				272,000.00
Total							4,207,400.00

Remark: Apart from the monthly remunerations, the Company does not provide the Directors with any other benefits.

Remuneration of Chief Executive Officer

The Company has established a policy on remuneration for Chief Executive Officer. The Board of Directors without the Director who holds the Chief Executive Officer position, shall evaluate President's performance at least once a year and report the evaluation result to the Nomination and Remuneration Committee to consider the appropriate remuneration for Chief Executive Officer, which consistent with Chief Executive Officer's performance. The Nomination and Remuneration Committee shall propose to the Board of Directors for further approval. The proposal shall consist of salary, bonus, social security, and provident fund.

7.5 Employees' information

In 2021, the Company has a total of 2,459 employees, classified as 444 full-time engineers, 876 non-engineer employees, 1,139 daily workers combined with foreign workers which could divided into 161 foreign workers and 978 Thai workers. Remuneration for employees in the year 2021 is 747.24 Million Baht.

Personnel	Year 2022	Year 2021	Year 2020	
Monthly Employees, Engineer	331	444	453	Person
Monthly Employees. Other	968	876	818	Person
Daily Employees	1,218	1,139	1,273	Person
Total Employees	2,517	2,459	2,544	Person
* Employees Remuneration	790.21	747.24	769.18	Million Baht

* Employees Remuneration comprises of salaries wages, overtime payment, allowances and bonus.

The Company has the policy to develop employees by providing them both academic seminars and on-the-job training which relating to their work responsibilities and sponsor a scholarship for the fields that enhance their work effectiveness.

Provident Fund

According to the Provident Fund Act B.E. 2530 (1987), the Company has registered provident fund with the Asset Management Company on March 15, 1995. With the provident fund, employees are able to have their own saving and securities, not only for themselves but also for their families. The saving depends on their willingness and subjects to their employment period. In 2021, the Company and subsidiaries have 1,053 provident fund's members.

Savings Cooperative

The Company has registered savings cooperative according to Cooperatives Act, B.E. 2511 (1968) on January 9, 2007. The purpose is to enhance economic growth, broaden members' community, promote saving especially saving from their own salary and also grow peer support. In 2021, the Company and subsidiaries have 1,906 saving cooperative's members.

7.6 Other Significant Information

7.6.1 Company's Secretary, Bookkeeper, Head of Internal Audit, and Head of Compliance Unit

1. Company's Secretary

The Company's Secretary has a key role in supporting and overseeing the Board's activities to be efficient, effective and in compliance with laws, rules, regulations, and corporate governance principles. The Board of Directors

shall appoint a qualified person to perform this position based on his/her knowledge, ability and suitability and defined the roles and responsibilities of the Company's Secretary as follows:

- Prepare and file documents concerning the list of Directors, the Company's annual report, invitation letters for Directors' meeting, minute of the Board of Directors' meeting, invitation letters for Shareholders' Meeting and minutes of Shareholders' Meeting.
- File a report of vested interests of the Directors or executives.
- Send the copy of report of vested interests of the Directors and executives or related person to the Chairman of the Audit Committee within 7 days after receiving of the report.
- Arrange the Meeting of the Board of Directors and of the Shareholders under related rules, regulations and laws.
- Provide advice for the operation of the Company and of the Board under the Memorandum of Association, the Articles of Association, the Securities and Exchange Act, the Public Company Limited Act and other related laws.
- Act as a focal point for exchanging news and information among Directors, executives, and shareholders.
- Coordinate and follow up operation under the resolutions of Directors and shareholders.
- Oversee the disclosure of information and reports under relevant responsibilities to the monitoring agency as specified by the rules and regulations of the government agency.
- Perform other duties as announced by the Capital Market Supervisory Board or as assigned by the Board of Directors.

In addition, the Company's Secretary also required accounting and legal knowledge in order to be qualified for this position. The Board of Directors has supported the Company's Secretary to attend various training sessions in accordance with their performance.

Currently, the Company's Secretary is Miss Pakatip Lopandhsri.

Miss Pakatip Lopandhsri.

Age: 65 Years

Date of Appointment: January 1, 2017

Percentage of shareholding: 109,177 shares

Education:

- Master of Business Administration from Saint Louis University, U.S.A.
- Bachelor of Accounting, Faculty of Commerce and Accountancy Chulalongkorn University
- DCP Program 2016
- Mini MBA/2012
- Fundamental Practice for Corporate Secretary (FPCS26)/2012
- Advance for Corporate Secretaries No. 1/2016

Experience:

- Director, Vice President of Accounting and Finance Department, General Management

2. **Bookkeeper**

Mr. Teeraphun Phunkason

Age: 60 years

Date of Appointment: January, 1 2022

Number of shares held: - None -

Education:

- Bachelor of Accounting, Faculty of Business Administration, Ramkhamhaeng University

Experiences:

- Vice President of Finance & Accounting Department

3. Head of Internal Audit

The Audit Committee will appoint the Head of Internal Audit Department by selecting qualified person, who are able to efficiently evaluate the internal control system and work performance and provide recommendation for improvement.

Currently, the Head of the Internal Audit Department of the Company is Mr. Warawut Nakpairat, General Manager of Internal Audit Department.

Mr. Warawut Nakpairat

Age: 48 years

Date of Appointment: 2015

Number of shares held: -None-

Education:

- Master of Business Administration (Accounting), Thai Chamber of Commerce University
- Bachelor of Accounting, Thai Chamber of Commerce University
- Certified Professional Internal Auditors of Thailand (CPIAT)
- Internal Auditing Certificate Program (IACP), Thailand Federation of Accounting Professions (TFAC)
- ISO 9001:2008 Series Auditor / Lead Auditor BUREAU VERITAS Certification
- ISO 9001:2015 Internal Auditor BUREAU VERITAS Certification
- Advanced Risk Management (Advance), Thailand Federation of Accounting Professions (TFAC)

Experiences:

- General Manager, Internal Audit at Nawarat Patanakarn Public Company Limited

4. Head of Compliance Unit

The Company recognizes the importance of compliance which is a key mechanism to improve correctness and prudence of every operational procedures and steps, enhance the Company to operates in accordance with strategic plan, and achieve the goals. The Board of Directors, therefore, assigns the Internal Audit Department and the Quality System Department to supervise and monitor the compliance with the relevant laws and regulations.

The Company aims to operate business in accordance with a good corporate governance, including operating the business with accuracy and efficiency. Therefore, the Board of Directors has approved the appointment of Miss Pakatip Lopandhsri to be the Head of Compliance Unit with the following duties; coaching, monitoring Directors, executives, and employee to comply with the laws, regulations, policies, announcements and related restrictions, including communicating related information to employees through email (details as disclosed in Company Secretary topic).

7.6.2 Head of Investor Relations

The Company set up an Investor Relation Section under the New Business and Strategic Planning Department to serve as a center for disclosing and communicating the information to shareholders, investors, and securities analysts. (Details as disclosed in the information disclosure and transparency topic.)

7.6.3 Audit Fee for the Year 2022

In the fiscal 2022, EY Office Limited has been appointed to be the Company and its subsidiaries' auditor with the following audit fee.

- (1) Audit fee consists of audit fee for the Company and its subsidiaries in the amount of 3,500,000 Baht.
- (2) Non-audit fee: none.

8. Corporate Governance Performance Report

8.1.1 Nomination, Appointment, Dismissal, and Retirement of Directors

Nomination and appointment

The Nomination and Remuneration Committee shall propose the nomination of director to the Board of Directors and the Board shall present it to the Shareholders' Meeting for appointment as per the criteria and methodology stipulated in the Articles of Association of the Company as detailed below:

(1) Nomination of Independent Directors

The Nomination and Remuneration Committee will nominate directors who are qualified in terms of skills and experiences which are useful to the Company and meet the qualifications of Independent Director according to the requirements stipulated by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, and other qualifications as stipulated by the Company.

Qualifications of Independent Directors as follows:

- Holding not more than 1 percent of the total paid-up shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- Neither being nor having been an executive, employee, wage earners, advisors who regularly receive a salary, or personal consultant of person who gets authorization to manage the Company, its subsidiary or associated company, unless the foregoing status ended for a period not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, e.g. being customers, business partners, creditor, and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment.
- Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- Neither being nor have been an auditor of the Company, subsidiary, associated company, or other entity that might have a conflict of interest. And not being a major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary, associated company, unless the foregoing relationship ended for a period not less than three years from the date of appointment.

(2) Nomination of Directors

Criteria

The Nomination and Remuneration Committee will nominate and select persons to be appointed as directors to replace those Directors who vacate office, both resignation prior to the end of term and retirement by rotation by considering the proper proportion, number, and composition of the Board. The Nomination and Remuneration has systematically determined the criteria of director's nomination as follows:

- Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, the Stock Exchange of Thailand and the Company's regulations.
- Having knowledge, ability, and experience in a variety of fields. The Company has defined four necessary skills for director nomination as follows:
 - 1) Engineering
 - 2) Accounting, financial and banking
 - 3) Marketing strategy and competition
 - 4) Legal skill relating to business

- Having characteristics supporting and promoting the corporate governance to create value to the Company such as
 - 1) Having a leadership competency
 - 2) Having a broad vision
 - 3) Having ethics and morality
 - 4) Having transparent work experience without malfeasance
 - 5) Must not possess any prohibited characteristics pursuant to the law
 - 6) Having an ability to express opinions independently

(3). Nomination of High-level Executives

The Nomination and Remuneration Committee will consider the criteria for selecting President/ Managing Director, as well as select and nominate qualified persons to be considered by the Board of Directors.

In addition, the Nomination and Remuneration Committee will formulate succession plans for Chief Executive Officer, President/ Managing Director, High-level Executives and submit to the Board of Directors for consideration.

8.1.2 Attendance and Remuneration

The Company has disclosed the amount of remuneration in topic no. 7.2 Board Structure and Composition, and topic no. 7.4.2 Remuneration Policy for Directors and Executives, Including the Amount of Remuneration.

Performance Evaluation of the Board of Directors, Individual Board Member and the Sub-Committees

In 2022, the Company organized a performance evaluation of the Board of Directors, individual Board members and the sub-committees, collectively at least once a year, in order to use the evaluation results as a framework to verify the Board of Directors' performance during the year. To consider whether the performance is complete and appropriate according to the scope of authorities and in accordance with the good corporate governance principle.

Performance Evaluation of the Board of Directors

Criteria

The performance evaluation of the Board of Directors was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of Directors' performance and related duties. The evaluation form was divided into 6 items which consists of

- 1) Structure and qualifications of the Board of Directors
- 2) Role, duties, and responsibilities of the Board of Directors
- 3) The Board of Directors' Meetings and Directors' performance
- 4) Directors' performance
- 5) Relationship with the management
- 6) Director's self-improvement and executive development

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the following meanings:

0	=	Absolutely disagree or no action was taken on that matter
1	=	Disagree or few actions were taken on that matter
2	=	Agree or fair actions were taken on that matter
3	=	Rather agree or adequate actions were taken on that matter
4	=	Absolutely agree or excellent actions were on that matter

Then all the scores will be evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90%	=	Excellent
Equivalent or over	80%	=	Very Good
Equivalent or over	70%	=	Good
Equivalent or over	60%	=	Average
Below	60%	=	Improvement needed

Procedures

The secretary to the Nomination and Remuneration Committee will deliver the evaluation form to each Director at the end of each year. After each Director completed the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting, in order to set a measure to further improve the efficiency of the Board of Directors' performance.

Performance Evaluation of Individual Board Member

Criteria

The performance evaluation of individual Board member was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of Directors' performance and related duties. The evaluation form was divided into 3 items which consists of

- 1) Structure and qualifications of the Board of Directors
- 2) The Board of Directors' Meeting
- 3) Role, duties, and responsibilities of the Board of Directors

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the following meanings:

0	=	Absolutely disagree or no action was taken on that matter
1	=	Disagree or few actions were taken on that matter
2	=	Agree or fair actions were taken on that matter
3	=	Rather agree or adequate actions were taken on that matter
4	=	Absolutely agree or excellent actions were taken on that matter

Then all the scores are evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90%	=	Excellent
Equivalent or over	80%	=	Very Good
Equivalent or over	70%	=	Good
Equivalent or over	60%	=	Average
Below	60%	=	Improvement needed

Procedures

The secretary to the Nomination and Remuneration Committee will deliver the self-evaluation form to each Director at the end of each year. After each Director completed the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting, in order to set a measure to further improve the efficiency of the Board of Directors' performance.

Performance Evaluation of the Sub-Committees

The Audit Committee shall conduct self-evaluation at least once a year in order to improve its performance on supporting the Board of Directors' and the Company's business operation.

Criteria

The performance evaluation of the sub-committees was developed based on the SET's approach, by adapting the approach to suit the characteristics and structure of the sub-committees. The results are key factors for the enhancement of sub-committees' performance and related duties. The evaluation form was divided into 3 items which consists of

- 1) Structure and qualifications of the sub-committees
- 2) Roles, duties, and responsibilities of the sub-committees
- 3) The sub-committees' meeting and its performance

Rating shall be identified by each member's opinion, by ticking (/) in the score box, from 0 – 4 only in 1 slot in the evaluation form with the following meanings:

- | | | |
|---|---|---|
| 0 | = | Absolutely disagree or no action was taken on that matter |
| 1 | = | Disagree or few actions were taken on that matter |
| 2 | = | Agree or fair actions were taken on that matter |
| 3 | = | Rather agree or adequate actions were taken on that matter |
| 4 | = | Absolutely agree or excellent actions were taken on that matter |

Then all the scores are evaluated by mean of percentage calculation from the full score. The criteria of scores are as follows:

Equivalent or over	90%	=	Excellent
Equivalent or over	80%	=	Very Good
Equivalent or over	70%	=	Good
Equivalent or over	60%	=	Average
Below	60%	=	Improvement needed

Procedures

The secretary to the Nomination and Remuneration Committee will deliver the evaluation form to each sub-committees' member at the end of the year. After each member completed the evaluation, the evaluation form shall be returned to the secretary to the Nomination and Remuneration Committee to gather and report to the Board of Directors in the next meeting in order to set a measure to further improve the efficiency of each sub-committee.

In 2022, the Board of Directors determined to make the performance evaluation of the Board of Directors, individual Board member and one of the sub-committees, which is the Audit Committee. The summarized evaluation results are as follows:

1. Evaluation Result of the Board of Directors' Performance

The evaluation result of the Board of Directors' performance consists of 6 areas as follows; structure and qualifications the Board of Directors/ roles, duties and responsibilities of the Board of Directors/ the Board of Directors' meeting/ Directors' performance/ relationship with the management/ Director's self-improvement and executive development. In 2022, the average evaluation result is ranked in a very good rating or equivalent to 87.66 percent.

2. Evaluation Result of the Individual Board Member's Performance

The evaluation result of Audit Committee's performance consists of 3 areas as follows; structure and qualifications of the Board of Directors /the Board of Directors' meeting / role, duties and responsibilities of the Board of Directors. In 2022, the average evaluation result is ranked in a very good rating or equivalent to 89.58 percent.

3. Evaluation Result of the Audit Committee's Performance

The evaluation result of Audit Committee's performance consists of 3 areas as follows; structure and qualifications of the Audit Committee/the Audit Committee's meeting/ roles, duties and responsibilities of the Audit Committee. In 2022, the average of evaluation result is ranked in a very good rating or equivalent to 86.57 percent.

4. Evaluation Result of the Nomination and Remuneration Committee's Performance

The evaluation result of Audit Committee's performance consists of 3 areas as follows; structure and qualifications of the Audit Committee/the Audit Committee's meeting/ roles, duties and responsibilities of the Audit Committee. In 2021, the average of evaluation result is ranked in a very good rating or equivalent to 86.11 percent.

5. Evaluation Result of the Risk Management Committee's Performance

The evaluation of the Risk Management Committee's performance consists of 3 areas as follows; structure and qualifications of the Risk Management Committee/ the Risk Management Committee /roles, duties and responsibilities of the Risk Management Committee In 2022 the average of evaluation result is ranked in a very good rating or equivalent to 85.62 percent.

6. Evaluation Result of the Corporate Governance Committee 's Performance

The evaluation of the Corporate Governance Committee's performance consists of 3 areas as follows; structure and qualifications of the Corporate Governance Committee/ the Corporate Governance Committee /roles, duties and responsibilities of the Corporate Governance Committee In 2022 the average of evaluation result is ranked in a very good rating or equivalent to 86.11 percent.

Performance Evaluation of the CEO and President

For evaluation of the CEO and President's performance, who are senior executives, the Company has required other Directors excluding the Directors who hold the positions of CEO and President, to conduct the evaluation and submit the results to the Nomination and Remuneration Committee to consider the remuneration in terms of money and propose to the Board of Directors for approval. The performance assessment of the CEO and President must be held once a year by using the assessment criteria and procedures as follows:

Criteria

The evaluation form of the CEO and President is separated into 2 key components based on the SET's evaluation approach as follows:

Component No.1 Evaluation of 10 following aspects of CEO and President's performance:

- 1) Leadership skill
- 2) Strategic planning skill
- 3) Adherence to the strategic plan
- 4) Financial planning and financial outcome
- 5) Relationship with the Board of Directors
- 6) Relationship with external parties
- 7) Management and relationship with employees
- 8) Succession plan
- 9) Products and services knowledge
- 10) Personal characteristics

Component No.2 CEO and President's Development should consist of development on the strengths including other aspects that should be further developed, the Board of Directors shall provide additional opinions in relation to the aspects.

Rating shall be identified by each Director's opinion, by ticking (/) in the score box, from 0– 4 only 1 slot in the evaluation form with the following meanings:

- | | | |
|---|---|---|
| 0 | = | Absolutely disagree or no action was taken on that matter |
| 1 | = | Disagree or few actions were taken on that matter |
| 2 | = | Agree or fair actions were taken on that matter |
| 3 | = | Rather agree or adequate actions were taken on that matter |
| 4 | = | Absolutely agree or excellent actions were taken on that matter |

Then all the scores are evaluated by mean of percentage calculation from full score. The criteria of scores are as follows:

Equivalent or over	90%	=	Excellent
Equivalent or over	80%	=	Very Good
Equivalent or over	70%	=	Good
Equivalent or over	60%	=	Average
Below	60%	=	Improvement needed

Evaluation Result of CEO and President's Performance

The evaluation result of CEO's performance consists of 2 key components based on the SET's evaluation approach as follows; performance evaluation/ strength enhancement and area for development. In 2022, the average evaluation result is ranked in a very good rating or equivalent to 85.36 percent.

The evaluation result of President's performance consists of 2 key components based on the SET's evaluation approach as follows; performance evaluation/ strength enhancement and area for development. In 2022, the average evaluation result is ranked in a very good rating or equivalent to 88.60 percent.

Procedures

The CEO and President shall involve in determining the targets for their own performance and acknowledging the approved target in each year. Afterwards, at the end of each year, the secretary to the Nomination and Remuneration Committee will distribute a CEO and President's evaluation form to all Directors for evaluation. The results acquired from the evaluation will be used for the CEO and President's further career development. The secretary to the Nomination and Remuneration Committee will collect all information, prepare a summary report and submit to the Nomination and Remuneration Committee and the Board of Directors for consideration of the CEO and President's compensation respectively.

Development and Knowledge Accumulation for Directors and Executives

The Board of Directors seriously supports and encourages the knowledge development of all Directors and executives and has a policy on promoting all Directors, executives and the Company's Secretary including all employees who support the works of the Directors and the Company's Secretary to attend seminars and training courses. In 2022

Mr. Prasertphand Pipatanakul	Director	Course: Chairman Forum
Mr. Pasan Swasdiburi	Director	Course: Director Briefing Course: Hot Issue for Directors
Mr. Visut Suwanwitwaj	Executive	Course: Director Certification Program

Currently, there are 8 directors out of 9 directors in total, or equivalent to 88 percent, which successfully completed the course under the Director Certification Program (DCP) by Thai Institute of Directors.

The Board of Directors seriously supports and encourages the knowledge development of all Directors constantly, by defining it as one of meeting agendas during the Board of Directors meeting. The course schedule for directors and executives by the Thai Institute of Directors will need to be announced through this agenda on yearly basis. The Company secretary shall coordinate and process for directors accordingly.

8.1.3 Corporate Governance of the Subsidiaries and Associated Companies

The Company has to invest in construction business, any business related to construction industry, and other businesses that have growth potential. In compliance with the corporate governance of the Subsidiaries and Associated Companies, the Company will nominate a knowledgeable Director to be the Company's representative. The nominated Director will issue manage the Company's operation consistent with the Company's policy, vision, mission, and objective, including monitor, control and attend the quarter and annual meeting to ensure operation will proceed as per the plan.

8.1.4 Ensure the Company Operates Business in Compliance with the Policy and Practice of Corporate Governance

The Company recognizes the importance of corporate governance, business code of conduct, and also related policies. The Company adheres to those principles adequately and suitably among all stakeholders. More details are as disclosed in the topic no. 6.1 Overview of Corporate Governance Policy and Practice.

(1) Prevention of Conflicts of interest

The Company considers that it is important to conduct its business with integrity, all Directors, executives, and employees shall not seek personal benefits from the information or anything acquired from their duties and responsibilities. Thus, the Company has defined policy and a clear framework to avoid any conflict of interest by concerning the utmost benefit for the Company and shareholders. Furthermore, stakeholders shall not involve in decision-making process related to this policy and framework. The Board of Directors must strictly oversee compliance with the criteria and methods of disclosure of related transactions according to the policy. In case it is necessary to enter into related transactions or ones involved with conflict of interest, the transaction must be approved by the Board of Directors in accordance with the requirements stipulated by laws and the Company regulation before taking such action.

In 2022, the Company has not found any actions any violations of the conflict prevention policy.

(2) Use of internal information

In addition, the Company has established the following policy on the protection of use of internal information. And having a measure to ensure that such policy is informed and strictly complied:

1. Directors, executives, and employees must not use an internal information of the Company or of business partners, obtained due to their duties, to buy/sell or offer to buy/sell or persuade others to buy/sell or offer to buy/sell the securities of the Company or of the business partners either for personal or others' benefits and they must strictly comply with the relevant laws.
2. Directors, executives, and employees must keep confidentiality of the internal information in which they are responsible, and not to disclose the information to other persons or unrelated personnel of the Company.
3. The Company prevents the misuse of internal information by restricting an access to undisclosed information, allowing only the involved persons to access and provide only necessary information, and providing a security system for internal information which the owner of information must instruct the involved personnel to strictly comply with the confidential obligation thereof.
4. Disclosure of information shall be made by the Company's authorized person only. Personnel having no duty to disclose information when being asked to disclose the information which they have no authority to disclose, shall suggest the inquired person to contact the authorized person in order to get accurate information.
5. Apart from information disclosed to the public, the Company considers that remaining information considered as confidential information for internal use only. Directors, executives, and employees must use the information under the framework of assigned duties and responsibilities.

6. Directors, executives, and employees shall protect information and shall not seek benefit from internal information, even though the status as employees has been terminated.
7. Directors and senior executives are required to disclose the reports to the Securities and Exchange Commission on their holding of securities as well as reporting on every change in such holding under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 (three) business days after the date of purchase, sale, transfer or acceptance of the transfer.
8. Any person who disclosed information without permission, incurred damages to the Company, customers, and stakeholders shall be legally liable for such damages
9. The Board of Directors are required to report to the Company's Secretary on any direct and indirect sell or purchase of the Company's securities at least 1 day prior to the selling or purchasing date.

In 2022, Directors and executives did not trade the Company's securities. Moreover, the Company did not receive any complaints regarding any actions by the Directors or executives regarding the misuse of the Company's internal information.

There is no violation regarding buying or selling securities. In addition, shareholders are able to communicate freely with each other.

(3) Anti-corruption and Practical Guidelines Against Fraud

The Company advocates and encourages its Directors, executives, and employees at all levels to recognize and having awareness of resistance from all types of fraud and corruption, whether internal or external the Company. Since fraud and corruption could damage not only business but also society and the country, the Company adheres to perform its business with transparency and auditability processes. Moreover, the Company has set up internal control systems to prevent all types of fraud and corruption.

The Business Code of Conduct Committee has clearly formulated in written a policy and practical guideline for anti-corruption which cover duties and responsibilities of directors, executives and employees called the "Business Code of Conduct Manual" and the committee defined disciplinary punishment measures in accordance with the Company's rules and regulations for corruption or violation of rules and regulations by employees. The policy and practical guideline have been approved by the Board of Directors' Meeting and was communicated to every person in the Company to acknowledge, study and understand.

The Company declared the intention to be a part of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) of Thailand and Institute of Directors (IOD) for anti-corruption. At the present, the Company is certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since February 7, 2020, which last for three years from the date of certification.

Furthermore, the Company has supported and promoted employees to comply with the Good Corporate Governance Principle, Business Code of Conduct, and Anti-Corruption Policy.

In 2022, the Company has made a declaration to refrain from giving and receiving gifts during the new year season, which could lead to the risk of corruption. This declaration was made to support and promote Anti-Corruption Policy by publishing the white magazine in order to communicate policy and activities through the Company's internal channel. The Company also educated and promoted the policy through training sessions for employees and executives. (More details can be found in the topic of employee development)

Therefore, there are no violation actions by the directors or executives against Anti-Corruption Policy.

Practical guideline for Anti-Corruption

1. Nawarat Patanakarn Public Company Limited supports and encourages employees at all levels to be aware of anti-fraud and anti-corruption and puts in place the internal control to prevent the Company from fraud and corruption, offering and acceptance of bribe in all forms, in all countries where the Company has invested in.
2. Directors, executives, and employees at all levels must comply with the guideline as per the below detailed:
 - **Offering and acceptance of bribe**
Offering and acceptance of all forms of bribe in exchange of business benefits is prohibited. This includes delegating other persons to commit such actions.
 - **Gifts, hospitality and other benefits**
Offering and acceptance of gifts, assets, hospitality or other benefits to/from customers, business partners, or related parties must be in compliance with the regulation of the “offering and acceptance of gifts, assets or other benefits” prescribed in the “Business Code of Conduct Manual”
 - **Political contributions**
 1. The Company has a policy to remain neutral with respect to political, whereas the Company shall not directly or indirectly contribute and engage in any actions affiliated with political parties or groups.
 2. Directors, executives, and employees have rights and freedom under the constitution to exercise their political activities but must not claim the status of being a Director, an executive, and an employee or must not utilize the Company’s assets in supporting political activities. If Directors, executives, and employees engage in any political activities, they must take particular care not to imply or mislead that the Company is supporting any political parties.
 - **Charity donation, public benefit contribution and sponsorship**
As a part of society contribution, the Company has a policy for charity donation and public benefit contribution either in form of money or by other means such as stuff donation, activities participation, etc. and the Company has formulated a guideline for making charity donation, public contribution or sponsorship as follows:
 1. Charity donation, public benefit contribution or sponsorship must be transparent, lawful, and ethical; does not expect any business benefit returns and does not cause any damage to the public.
 2. Charity donation, public benefit contribution or sponsorship shall not be used as an excuse for bribery.
 3. Use of the Company’s money or assets for charity donation, public benefit contribution or sponsor must be done under the name of the Company and having a purpose to projecting a positive corporate image and reputation to the Company.
 4. Any actions taken must be in compliance with procedures of reviewing and approving charity donation, public benefit contribution or sponsorship as stipulated in the Company’s regulations.

3. The Company commits to create and sustain the organizational culture of zero tolerance of corruption when dealing with both government and private sectors.
4. Directors, executives, and employees at all levels must not ignore or negligent when witness any actions of possible corruption and shall report the matter to his/her supervisor or the responsible person and give full cooperation in an investigation. Channels for hearing any complaint from external parties shall also be provided. In this regard, it shall be in compliance with the Company's regulations.
5. The Company must be fair and protect any employees who refuse to associate with or provide information about corruption. Accordingly, the Company shall not demote, punish, or cause any negative consequence to such employee, although his/her action may lead to the Company's loss of business opportunity. The Company shall also be fair and protect employees or other parties who provide information or evidence about fraud and corruption concerned with the Company and its subsidiaries by applying protective measures for informants or person who cooperates in reporting fraud and corruption as specified in the Whistle Blowing Policy.
6. Directors and executives at all levels must demonstrate integrity and must be a role model in accordance with the anti-corruption policy. The Human Resources department was assigned to educate, promote understanding, and encourage employees at all levels to strictly and continuously adhere to the anti-corruption policy.
7. The anti-corruption policy includes human resources management procedures from recruitment, selection, promotion, training, and performance appraisal. Supervisors at all levels are responsible for communicating to their teams and creating understanding and enabling all employees to apply the policy to business activities within their scope of work as well as monitoring to ensure effective application of the policy.
8. Any person conducting fraud and corruption shall be considered disciplinary violation of personnel management's rules and regulations for employees and shall be subjected to disciplinary punishment as defined by the Company, as well as liable for their actions under the relevant law if such action is considered as an illegal action.
9. Any action taken under the anti-corruption policy shall be in accordance with guidelines prescribed in the "Corporate Governance Policy", "Business Conduct of Conduct Manual" as well as related working manuals and any additional guidelines to be formulated in the future.
10. The Company will regularly review the practical guideline and operating measures to be up to date and in compliance with the change in law and business operation condition.
11. The Company stipulates that communication and public relation activities of anti-corruption policy will be carried out via both internal and external media e.g. intranet, the Company's website, and annual report.

(4) Policy on acknowledgement of incidence, grievance, suggestions channels for informants and protection of the rights of informants (Whistle Blowing Policy)

The Company has systematically imposed the practical guideline for systematic, transparent, and accountability of grievance and complaints.

The Company established a department to acknowledge incidents, grievances or suggestions from stakeholders resulting from the Company's operation on 24 hours basis. Grievance or suggestion can be done verbally, via telephone, facsimile, electronic mail, and postal mail. The Company will provide an initial explanation of facts and measures to manage such matters to the party submitting a grievance or involved person as soon as possible, within 1 day.

In case of doubts or discovering any acts of possible violation or against laws, regulations, rules, Code of Conduct or Corporate Governance Policy, stakeholders can ask, undertake whistle blowing or file complaints with detailed evidence to the relevant person or department through the following channels:

1. For internal grievance, suggestions and complaints by employees

Contact: Mrs. Charutsri Naosuk

General Manager of Human Resources Department

Tel.: +66 (0) 2 7302100 ext. 2147

E-mail: n_charutsri@nawarat.co.th

Or contact through the employees' suggestion box which provided in each workplace.

2. For external grievance, suggestions, and complaints from external or outsiders

Contact: Mr. Kridchai Suthiluck

Manager of Environmental Business Unit

Tel.: +66 (0) 2 7302100 ext. 2312

E-mail: s_kridchai@nawarat.co.th

The Company will keep such information confidential to prevent the informants from encountering any impact. For employees, customers, or persons, who work for the Company, who reports clue or complaints, will be protected under relevant law. Details are as defined in the Company's Business Code of Conduct and the Corporate Governance Policy.

The Company has conducted an assessment and monitoring on the results of such operations. In 2021, the Company did not receive any incidence or grievance in relation to violation against law, Corporate Governance Policy, Anti-Corruption Policy, Business Code of Conduct, restriction, announcement, or related regulations. Moreover, the Company has no significant dispute occurred with its stakeholders.

5. Policy and practical guidelines on others' properties, intellectual property rights and copyrights

The Company conducts its business and encourages its employees to perform their duties in compliance with the laws and regulations in relation to intellectual property rights, whether in trademark, patent, copyright, classified commercial information, and other stipulated categories of intellectual property rights such as usage of computer software or licensed computer programs. The Company prohibits any actions violating software copyrights and any installation of pirate software in the office. Any employee who violates this regulation shall be considered intentionally committing a criminal offense and having intention to damage the Company and shall be dismissed. Any employee who installs any pirate computer software in the office must delete such software. The Company shall verify software installed in all computers currently in use in the office.

8.2 Performance Report of Sub-Committee

Report of the Audit Committee

The Audit Committee consists of 3 Independent Directors. The Audit Committee performs their duties and has responsibilities as assigned by the Board of Directors and in compliance with the best practice for the audit committee as announced by the Stock Exchange of Thailand. This is an important mechanic that could support the Board of Directors in overseeing the Company's operation and providing independent and transparent opinions in order to build trust and credibility among stakeholders. In 2022, the Audit Committee convened 12 meetings to consider the related matters. The executives, the general manager of the Internal Audit Department, and the auditor attended the meetings on the agenda relating to the quarterly review of financial statements. While in the meeting for auditing the annual Financial Statements, there are none of the Company's executives participated. The performance of the Audit Committee is summarized as follows:

1. Reviewed the quarterly financial statement of the year 2022 and the 2022 financial statement to ensure that it is accurate, adequate, completed, reliable and prepared under generally accepted accounting procedures. Reviewed related party transactions between its subsidiary companies, associated companies, joint ventures, related party and executives to ensure that the transactions were done in normal business condition and in compliance with rules and regulations stipulated by the Stock Exchange of Thailand before proposing to the Board of Directors.
2. Supervised the internal audit, considered together with the general manager of Internal Audit Division and adjusted the auditing plan to be consistent with changes to create sound internal control system.
3. Reviewed the auditing results and monitored the operations to be in line with the plans in order to prevent or reduce the potential risks and considered the work performance of the General Manager of the Internal Audit Division. The Audit Committee has an opinion that the Company's auditing operation has been performed effectively and appropriately.
4. Reviewed the Company's compliance with laws, regulations and requirements of the Securities and Exchange Act, and other regulations relating to the Company's business. After the meeting with the Company's Secretary who has a duty to supervise and monitor the compliance with laws, regulations, and requirements of the Office of Securities and Exchange Commission and the Stock Exchange, the Audit Committee had issued an opinion that the Company complied with all requirements without any significant flaws.
5. Considered the appointment of auditors and submitted its opinion to the Board of Directors in order to further propose to the Annual General Meetings of Shareholders for approval of the Company's auditors and audit fee.
6. Reviewed related party transactions to avoid conflict of interest and ensure the transactions were done properly in compliance with laws and regulations stipulated by the Stock Exchange of Thailand. This is to ensure such transactions were made reasonably and created utmost benefit to the Company.

Audit Committee has performed by exercising the knowledge and expertise to perform with due care, prudence, provide independent opinions and suggestions beneficial to all stakeholders on an equitable basis. The Company's financial reports are accurate, reliable, in consistency with the financial reporting standards and have a sufficient efficient internal control system, along with the effective internal audit system, with its performance in accordance with the Laws and Good Corporate Governance principles completely.

Mr. Apichart Dhamasaroja
Chairman of the Audit Committee

Report of the Risk Management Committee

The Risk Management Committee consists of 8 members and the Chairman of the Risk Management Committee shall be an Independent Director. The Risk Management Committee has duty to define Risk Management Policy covering entire organization, implement and monitor related practices that could properly manage risk and minimize impact to the Company's business. In 2022, the Risk Management Committee convened 3 meetings and report its performance in the year 2022 to the Board of Directors which summarized as follows:

1. Monitored the implementation of enterprise risk management plan, especially for the risks at high level, to ensure the effective risk management and ongoing compliance.
2. Reviewed and followed up the operational risk management plan of business units.
3. Conducted a Key Risk Indicator (KRI) to ensure that the Company has an appropriate internal control system to manage risk and to implement the risk management system properly.
4. Provided training to employees at operational level.
5. Prepared report of the Risk Management Committee to disclose its 2022 performance. The Risk Management Committee has opinion that the performance of the Risk Management Committee achieved the Company's goals regarding the management of organizational risk management system by receiving good cooperation of executives and employees.

The Risk Management Committee has opinion that the performance of the Risk Management Committee achieved the Company's goals regarding the management of organizational risk management system by receiving good cooperation of executives and employees.

Mr. Apichart Dhamasaroja
Chairman of the Risk Management
Committee

Report of the Corporate Social and Environmental Responsibility Committee

The Corporate Social and Environmental Responsibility Committee consists of 6 members, 2 of the members are Independent Directors and the Chairman of the Corporate Social and Environmental Responsibility Committee is one of the Company's Director. The Corporate Social and Environmental Responsibility Committee has a duty to enhance business operation to be consistent with social and environmental responsibility, define policy and framework, appoint working team and monitor the related implementation. In 2022, the Social and Environmental Responsibility Committee convened 2 meetings and reported its performance in the year 2022 to the Board which summarized as follows:

1. Appointed the new member of Social and Environmental Responsibility working team to replace the resigned member, comprising 8 managers from relevant departments to drive the policy and organize activities about social and environmental responsibility.
2. Defined a new Social and Environmental Responsibility Policy consist of 7 issues by defining that the Company is committed to conducting business in accordance with good corporate governance, business code of conduct and involving in social development, as well as prepared monthly green journal, which is the internal journal to share knowledge and communicate activities about social and environmental responsibility to Directors, executives, and all employees so that they can acknowledge and follow.
3. Performed the Social and Environmental Responsibility Policy, defined a plan and budget for the projects and activities in relation to corporate social and environmental responsibility (CSR) in the year 2022.
4. Prepared report of the Corporate Social and Environmental Responsibility Committee to disclose its 2022 performance.

The Corporate Social and Environmental Responsibility Committee is committed that the Company's operation shall be carried out as planned and in accordance with the Board of Directors' assignment, and also recognizes the importance of social and environmental responsibility which will allow the Company to grow sustainably.

Mr. Apichart Dhamasaroja
Chairman of the Corporate Social and
Environmental Responsibility Committee

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 4 members and the Chairman of the Nomination and Remuneration Committee shall be Independent Director. The Nomination and Remuneration Committee shall perform its duties in recruiting and considering the remuneration of the Board of Directors, sub-committees, the Chief Executive Officer, and the President to be transparent and fair. In 2022, the Nomination and Remuneration Committee convened 2 meetings and reported its performance in the year 2022 to the Board of Directors for acknowledgement after each meeting, summarized below:

1. Considered the suitable candidates for proposing to the Board and the 2022 Annual General Meeting of Shareholders for consideration. The Company offered minor shareholders an opportunity to nominate directors during December 19, 2022 - February 20, 2023. Since no such nomination emerged, the committee recommended that the Directors who completed their terms in year 2022 should be reappointed for another term. The Meeting of Shareholders resolved to re-appoint Directors as proposed.
2. Consider the persons with appropriate qualifications, abilities, and experiences that are beneficial to the Company's business operations. To be appointed as 2 additional directors of the Company by proposing to the Board of Directors and the Annual General Meeting of Shareholders for the year 2021 has the resolution to consider and approve in order to operate smoothly and efficiently and rely on the company's
3. Considered the remuneration of the Board of Directors and the Audit Committee for the year 2022 and submitted its opinion to the Board of Directors and the 2022 Annual General Meeting of Shareholders for consideration and approval.
4. Considered the remuneration of executives and employees for the year 2022 with corresponding to the respective assigned duties and responsibilities, performance matching with the Company's operating results, environment relating to the Company's business, as well as comparison to other companies within the same or similar industry and business sector, and proposed to the Board of Directors for consideration and approval. The Board of Directors approved the compensation as proposed.
5. Considered criteria and procedures of the annual performance evaluation of the Board of Directors, individual Board member, and the sub-committees. The proposal was approved by the Board of Directors.
6. Considered criteria and procedures of the annual performance evaluation of the Chief Executive Officer and the President. The proposal was approved by the Board of Directors.

The Nomination and Remuneration Committee performed its duties with caution and integrity based on the responsibilities designated in its charter. It adhered to the principle of good governance adequately and suitably for the balanced and sustainable benefits of all stakeholders.

Mr. Apichart Dhamasaroja
Chairman of the Nomination and
Remuneration Committee

Report of the Business Code of Conduct Committee

The Business Code of Conduct Committee consists of 6 members and the Chairman of the Business Code of Conduct Committee shall be an Independent Director. The Business Code of Conduct Committee has duty to oversee and monitor the Company's business operation based on integrity, transparency, morality, ethics, and responsibilities to all stakeholders in accordance with the Company's Business Code of Conduct. In 2022, the Business Code of Conduct Committee convened 2 meeting and reported its performance in the year 2022 to the Board of Directors which summarized as follows:

1. Considered, reviewed, and revised the Business Code of Conduct Handbook to make it modern, up-to-date and in accordance with the Company's best practice and the Corporate Governance Policy, also defined it as a part of work regulations that Directors, executives, and employees at all levels must strictly observe; and proposed it to the Board of Directors for consideration and approval. The Board approved the revision as proposed.
2. Reported the latest progress of the participation as a part of the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) of Thailand and Institute of Directors (IOD) for anti-corruption. The Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since February 7, 2020, which last for three years from the date of certification.
3. Encouraged and emphasized Directors, executives and all employees to acknowledge, understand, realize, and strictly adhere to the Business Code of Conduct principles through various communication channels such as e-mail and intranet.
4. Published the Business Code of Conduct to shareholders and all stakeholders to acknowledge and comply with the Company's intention via the Company's website: www.nawarat.co.th

The Business Code of Conduct Committee has its decisive intention and commitment to promote and enhance the Company's business operation to be in accordance with the Business Code of Conduct and be more efficient in order to reinforce the confidence of shareholders including all stakeholders.

Mr. Prasertphand Pipatanakul
Chairman of the Business Code of
Conduct Committee

Report of the Corporate Governance Committee

The Corporate Governance Committee consists of 9 members and the Chairman of the Corporate Governance Committee shall be an Independent Director. The Corporate Governance Committee responsible to oversee and monitor the Company's corporate governance to be in compliance with the good corporate governance principles of the Stock Exchange of Thailand, the Thai Institute of Directors Association (IOD), and the Organization for Economic Cooperation and Development (OECD). In 2022, the Corporate Governance Committee convened 2 meetings to monitor the operations in accordance with the good corporate governance plan. Its performance was reported to the Board of Directors for acknowledgement which summarized as follows:

1. Ensured the Company having full compliance with the Good Corporate Governance Guidelines of the Stock Exchange of Thailand and the Corporate Governance Principles of the Organization for Economic Cooperation and Development (OECD) in 5 categories as follows: 1) rights of shareholders, 2) equitable treatment of shareholders, 3) role of stakeholders, 4) information disclosure and transparency, and 5) responsibilities of the Board.
2. Encouraged Directors, executives, and all employees to acknowledge, understand, realize and correctly comply with the principle of good corporate governance through various communication channels such as e-mail, intranet, and the Company's website.
3. Considered, reviewed, and revised the Corporate Governance Policy.
4. Encouraged Directors to continuously participate in training and supported Directors to attend training courses held by the Thai Institute of Directors Association (IOD).
5. Defined policy for sub-committee by adopting vision and new mission to harmonize all aspects in policy guideline, communicated vision and new missions to the people inside and outside the Company, including built mutual understanding thereof.
6. Proposed to improve information disclosure, policy, the Charter of the Board to be consistent with the good corporate governance policy of the Stock Exchange of Thailand.
7. Prepared report of the Corporate Governance Committee to disclose its 2022 performance to the Board of Directors.
8. Prepared report of the corporate Governance Committee to disclose its 2022 performance

The Company is committed to being compliant with the determined Corporate Governance Policy, advocating the improvement and development of such policy, and continually and properly disclosing to reflect the efficiency, transparency, reliability and auditability of the management.

Mr. Prasertphand Pipatanakul
Chairman of the Corporate
Governance Committee

9. Internal Control and Related Party Transactions

9.1 Internal Control

The Board of Directors, management executives, and operational levels recognize the importance of internal control as it is the key factor to prevent risks which may occur. The Company continuously monitors and ensures its business complies with corporate governance in order to effectively and sustainably achieve the Company's goal.

The Company has constantly developed and improved the internal control and the practice of good corporate governance (GSG). The operation of an internal control divided duties of each department and each position, decentralization to projects, factories, and working units by clearly and suitably defined authorities of executives and employees in order to counterbalance the protection of shareholders' capitals and the Company's assets. There is a separation of duties of departments and various job positions. As well as establishing internal control system which covers reports of financial statement and non-financial, policy and personnel management, protection of the high-risk assets, control of information system, including setting the Objective Key Result (OKR) and Key Performance Indicators (KPI). In order to driving the Company's strategy effectively and provide follow-up evaluation during the operation. The evaluation will be continuously made on a regular basis.

The internal audit is subject to Audit Committee, which responsible for auditing, assessment and ensuring adequate internal control has been placed among each operation unit of the Company and the Subsidiaries. The Committee of Sponsoring Organization of Treadway Commission (COSO) framework has been adopted as a guideline for the Company's internal control. Moreover, the Company applies ISO 9001:2015 as a tool to establish practice handbook, regulations, rules, create internal control system and communicate internally with the employees of the Company for implementation.

9.2 Internal Audit

The Board of Directors assigned the Audit Committee which comprises of Independent Directors, who shall examine the internal control system of the Company, including review the Charter of the Audit Committee and the Charter of the Internal Audit. The Internal Audit Department shall freely assess the internal control and evaluate performance of each department, in compliance with the Charter of Audit Department and also monitor the Audit Committee according to the Internal Audit Scheme of the year 2022. The Scheme has been revised and adjusted strategy in consistence with the COVID-19 situation and also considered risk in New Normal era, which was approved by the Audit Committee to ensure the internal system is adequate, proper, and practical. Including maintaining assets and efficient usage of resources in order to prevent damage or fraud which may occur.

The Audit Committee will appoint the Head of Internal Audit Department by selecting a qualified person, who is able to efficiently evaluate the internal control system and work performance and provide recommendations for improvement. (More details are as disclosed in the topic no. 7.6 Other Significant Information.)

9.3 Risk Management

Risk Management

The Company recognized the importance of risk management which is a key mechanism and management tool in making an organization achieve its goals and objectives, minimizing impact due to the changes of external and internal factors. The risk has been defined in two levels which are the risk at corporate level and the risk at operational level. In order to cover the Company's operation, the Board of Directors, therefore, sets up Risk Management Committee (RMC), as appointed by the Meeting of the Board of Directors, Independent Directors, and related Executives. The Committee shall supervise and support the effective implementation of the Risk Management Policy and issue solid Risk Management Policy, including communicating with Executives and employees on the following matters:

1. Risk management is a part of organizational culture. Every employee is required to learn, understand, realize its importance and constantly adopt it with effectiveness and efficiency.
2. Risk management is an important operation of the Company. It must cover all aspects of mission and must be in the same standard throughout the Company.
3. Risks which may affect the achievement of the Company's objectives must be managed in a timely manner. For the risk at the corporate level, the Company has Risk Management Committee and a working group specifically for the risk at corporate level, who shall supervise and support the effective implementation of the Risk Management Policy by coordinate with the enterprise risk plan working group, who shall review and follow up on the risk management of the Company. The committee will review the risk factor, annual corporate risk management plan, the tracking index of Key Risk Indication (KRI) every quarter which shall include the major risks of the Company namely strategy risk, operation risk, financial risk, compliance risk, and emerging risk such as operation during the outbreak of COVID-19 and further propose to the Board of Directors' Meeting and the Annual Strategy Meeting in order to acknowledge the level of risk that affecting the Company.

For the risk at operational level, the Company has applied ISO 9001:2015 as a tool to provide the manual for the risk management system for projects, factories, and all working units to understand the principles and procedures and to use it as a guideline for risk management. The Company also required all working units to identify and assess risks associated with their operations, and evaluate the possible impacts and any impact on operation. Then prioritize risks, develop risk management plan, control, monitor, and systematically improve the risk issues when there are changes in situation or environment due to the risks.

In 2022, the Company conducted the risk management as follows:

- Set up the corporate risk management plan.
- Required each working unit to assess and review its risk management plan.

Risk Management plans

In 2022, the Risk Management Committee has set the specific working group. which consists of executives from various parties involved including Operation Department, Finance Department, Marketing Department Management Department New Business and Planning

9.4 Related Party Transactions

9.4.1 Information of Related Party Transactions

Nawarat Patanakarn Public Company Limited has significant business transactions between its subsidiary companies, associated companies, joint ventures, related party and executives as follows:

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
1. Nawarat - A.S. Associated Joint Venture						Contract asset Less Allowance for expected credit loss	8 (8) 0	The Company jointly invested with A.S. Associated Engineering (1964) Co., Ltd. in the joint venture in proportion of 70:30 to construct the water tunnel from Taksin-Petchkasem Ring Road to Rama 2 Road for the Metropolitan Water Authority at 661 Million Baht. The project was completed in January 2007 and the construction warranty period ended in August 2009.
2. A.S. - Nawarat Joint Venture						Joint-venture investment Less impairment	2 (2) 0	The Company jointly invested with A.S. Associated Engineering (1964) Co., Ltd. in the joint venture in proportion of 50:50 to jointly undertake the construction of UaArthorn Project of the National Housing Authority.

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
3. Nawarat (Cambodia) Company Limited		-	-	-		Advance payment <u>Less</u> Allowance for expected credit loss Investment in subsidiary companies <u>Less</u> Allowance for expected credit loss	151 (151) <u>0</u> <0.5 (<u><0.5</u>) <u>0</u>	1. In the year 2017, the Company established Nawarat (Cambodia) Company Limited in Cambodia, in which the Company holds 100 percent of its shares, with the registered capital of 5,000 USD or approximately 150,000 Baht. 2. The company conducts construction business. The completed construction project was 150 Million Megawatt thermal power plant. 3. The actual advance payment was made in USD but it was recorded in Thai Baht in the financial statement. Thus, it needs to be adjusted annually according to the exchange rate at the end of fiscal year.
4. Myanmar NWR Company Limited	Interest income	36	4	4		Short-term loan Accrued interest income <u>Less</u> Allowance for expected credit loss Investment in subsidiary companies <u>Less</u> impairment	93 36 (129) <u>0</u> 3 (3) <u>0</u>	1. The Company invested in Myanmar NWR Company Limited by holding 100% of its shares. 2. The loan interest rate is at 5.0% per annum.

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
5. Utility Business Alliance Co., Ltd.	Interest income	-	-	6		Accrued Expense	2	
	Construction revenue	52	28	1		Investment in subsidiary companies	133	The Company invested in Utility Business Alliance Co., Ltd. by holding 43% from the previous 60%
	Construction cost	28	1			Account payable	68	
	Dividend income	110	3	-		Investment in subsidiary companies		
				-		Retention deposit	8	
6. C.I.N. Estate Co., Ltd.	Interest income	0	<0.5	1				1. This company is a former joint investment between Nawarat Patanakarn Public Company Limited and Charnissara Development Public Co., Ltd. in the proportion of 40:60 to undertake the construction of a condominium on Ladprao Road between Soi12-14 called "The Issara Ladprao" and another project on Suksawat Road called "ISSI". Later in September 2015, the Company sold its total investment in the amount of 999,997 shares which equals to 161 Million Baht to Mana Patanakarn Company Limited, the Company's subsidiary, which conducts real estate business.
								2. The loan interest rate is referred to MLR of Krungthai Bank PCL.

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021		Remark
					Transaction in the balance sheet	Amount	
7. E.G.G. Enterprise Co., Ltd	Revenue from sale, rentals and services	1	1	6	Accounts receivable	<0.5	1. Mr. Polpat Karnasuta, the Chief Executive Officer is the authorized director and shareholder of E.G.G. Enterprise Co., Ltd. 2. The Company has gained rental revenues from letting its office building, land, and warehouses to E.G.G. Enterprise Co., Ltd.
	Other revenues	<0.5	<0.5	<0.5	Deferred Income	<0.5	
	Cost of sales and services	-	-	1			
8. K Alliance Co., Ltd.	Other revenues	-	-	2	Accounts receivable	1	1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, the younger sisters of Mr. Polpat Karnasuta, are the authorized directors and the shareholders of K Alliance Co., Ltd. while Mr. Polpat Karnasuta holds the position of Chief Executive Officer. 2. The main business of K Alliance Co., Ltd. is mining business. 3. The accounts receivables have been incurred since the Company had repaired the machine, including wages and service expenses from the mine of K Alliance Co., Ltd.
					Less Allowance for expected credit loss	(<0.5)	
						<u>1</u>	

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
9. Ruen Rapee Co., Ltd.						Accounts receivable <u>Less Allowance for expected credit loss</u>	41 (41) 0	<p>1. Mrs. Sutasanee Kamasuta and Mrs. Sutheera Phutharee, the younger sisters of Mr. Polpat Kamasuta, are the authorized directors and the shareholders of Ruen Rapee Co., Ltd, while Mr. Polpat Kamasuta holds the position of Chief Executive Officer.</p> <p>2. The main business of Ruen Rapee Co., Ltd. is real estate development business. The company handled and constructed "Barn Baranee" project, located at Klong 3, Rangsit.</p> <p>3. By the third quarter of 2008, Ruen Rapee Co., Ltd. transferred part of the houses and lands in "Barn Baranee" project in the amount of 24.51 Million Baht as partial repayment of its debt to the Company. And in the second quarter of 2009, more houses and lands in the Project in the amount of 57.48 Million Baht were transferred to the Company as another repayment of such debt.</p> <p>4. As of December 31, 2022, the shareholders of Ruen Rapee Co., Ltd. consisted of: Mrs. Sutasanee Kamasuta 590,998 shares, Mrs. Sutheera Phutharee 1 share, Miss Benja Yiemphu 1 share (Please see additional notes at end of the table)</p>

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
10. East Bangkok Assets Co., Ltd.	Reversal of allowance for doubtful accounts	-	-	<0.5		Accounts receivable Less Allowance for expected credit loss	25 (25) 0	1. Mrs. Sutasanee Kamasuta and Mrs. Sutheera Phutharee, the younger sisters of Mr. Polpat Kamasuta, are the authorized directors and the shareholders of East Bangkok Assets Co., Ltd., while Mr. Polpat Kamasuta holds the position of Chief Executive Officer. 2. The main business of East Bangkok Assets Co., Ltd. is real estate development business. There are two projects handled and constructed by the company. The first one is “De Ville” project located at Soi Pattana Chumchon, Sri Nakharin Road and the other project called “De Siam” located at Soi Chaloemphrakiat Ror 9, Intersection No. 38. 3. The fourth quarter of 2009, East Bangkok Assets Co., Ltd. transferred the land of “De Siam” project in amount of 34.5 Million Baht as partial repayment of its debt to the Company. 4. As of December 31, 2022, shareholders of East Bangkok Assets Co., Ltd. consisted of: Mrs. Sutasanee Kamasuta 399,998 shares, Mrs. Sutheera Phutharee 1 share, Mrs. Benja Yiemphu 1 share (Please see additional notes at end of the table)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
11. New Decade Co., Ltd.	Revenue from sales, rentals and services	0	<0.5	<0.5	Accounts receivable		87	1. Mrs. Sutasanee Karnasuta, the younger sister of Mr. Polpat Karnasuta, is an authorized director of New Decade Co., Ltd., while Mr. Polpat Karnasuta holds the position of Chief Executive Officer. 2. Mrs. Sutheera Phutharee, the younger sister of Mr. Polpat Karnasuta, is an authorized director and the shareholder of New Decade Co., Ltd. 3. The main business of New Decade Co., Ltd. is construction business, with works subcontracted from the Company for construction of a bridge at KohYor and construction of road, Chonburi- Pattaya Route, Section 3. Since some construction materials for executing those projects could not be purchased under good conditions and at reasonable prices, they were purchased from the Company instead.
	Cost of construction and services	1	2	1	<u>Less</u> Allowance for expected credit loss		(87)	
	Other revenues	-	4	-	Accounts payable		0	
							1	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021		Remark
					Transaction in the balance sheet	Amount	
							4. As of December 31, 2022, shareholders of New Decade Co., Ltd. comprised of: Mrs. Sutheera Phutharee 220,000 shares, Mr. Wasin Phutharee 10,000 shares, Mr. Satta Chavarit 10,000 shares, Mr. Kantarit Tamanruksat 20,000 shares, Mr. Rangsak Boontaem 10,000 shares, Mr. Kasemsuk Paisansrisin 20,000 shares, Ms. Aurathip Muangchareon 10,000 shares (Please see additional notes at end of the table)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
12. Mana Patanakarn Co., Ltd.	Interest income	<0.5	1	-	Accounts receivable	23		1. Mana Patanakarn Company Limited was established as a registered company on April 5, 2013, with a registered capital of 200 Million Baht. As at December 31, 2022, the paid-up capital was equal to 1,100 Million Baht. The Company made 100% investment in this company. 2. The main businesses of Mana Patanakarn Co., Ltd. are real estate business and construction of condominiums. The projects handled are: A. "Baranee Park Romklao" on Romklao Road, Bangkok B. "Baranee Residence" on Rangsit Klong 3 Road, Pratumthani C. "ASPEN CONDO" Condominium in Soi Lasalle, Sukhumvit Road (Soi 105) D. "Barani Bliss" Rangsit-Klong 3 It is expected to open for sale in the third quarter of 2023. E. "Barani Bliss" (Rangsit-Wongwaen), Rangsit-Nakhon Nayok (Klong 5 section) is expected to open for sale in the fourth quarter of 2023.
	Management expenses	1	1	-	Less Allowance for expected credit loss	(0.5)		
	Revenue from sales, rentals and services	-	1	<0.5	Other payable	23	1	
	Other revenues	1	-	1	Investment in subsidiary companies	1,100		
	Cost of construction	9	<0.5	1				
			-	1				
			9	2				

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021		Remark
					Transaction in the balance sheet	Amount	
13. Advance Prefab Co., Ltd.	Interest income	10	10	13	Accounts receivable	796	1. Advance Prefab Co., Ltd. was established as a registered company on December 12, 2013, with the registered capital of 1 Million Baht. As at December 31, 2022, the paid-up capital was equal to 400 Million Baht. The Company made 100% investment in this company. 2. The main business of Advance Prefab Co., Ltd. is manufacture of concrete products. 3. The loan interest rate is referred to MLR of Siam Commercial Bank PLC.
	Construction revenue	50	42	560	<u>Less</u> Allowance for expected credit loss	<u>(60)</u> <u>736</u>	
	Revenue from sales, rentals and services	192	111	23	Accrued interest income	18	
	Gain from disposal of assets	<0.5	-	-	Current Portion of Long-term Loan	12	
	Other revenues	4	3	12	Accounts payables and other payable	10	
	Construction costs	28	25	11	Long-term loan, net of current portion	164	
					<u>Less</u> Allowance for expected credit loss	<u>(1)</u> <u>163</u>	
					Investment in subsidiary companies	400	

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
14. Bua Co., Ltd.	Cost of sales and services	<0.5	<0.5	1				1. Mr. Polpat Karnasuta who holds the position of Chief Executive Officer, is an authorized director and the shareholder of Bua Co., Ltd. 2. The main business of Bua Co., Ltd. is restaurant business. 3. This transaction initiates from the restaurant service.
15. Taste Maker Co., Ltd.	Cost of sales and services	<0.5	-	<0.5		Other receivable	<0.5	1. Taste Maker Co., Ltd. was established as a registered company on November 17, 2016, with the registered capital of 5 Million Baht.
	Interest income	<0.5	<0.5	<0.5		Accrued interest income	<0.5	As at December 31, 2022 the company had paid-up capital of 80 Million Baht. The Company made 99% investment in this company.
	Revenue from sales, rentals and services	1	1	<0.5		Current Portion of Long-term Loan	3	
	Management cost	<0.5	<0.5	-		Long-term loan, net of current portion	4	
	Impairment of financial assets	<0.5	(<0.5)	-		Less Allowance for expected credit loss	(<u><0.5</u>)	2. The main businesses of Taste Maker Co., Ltd. are restaurant business and sale of processed food.
						Other payable	<0.5	
						Investment in subsidiary companies	80	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021		Remark
					Transaction in the balance sheet	Amount	
16. NTA Joint Venture	Revenue from sales, rentals and services	-	-	1	Accounts receivable	1	The Company in cooperation with Therdthai and Co. Co., Ltd. and A.S. Associated Engineering (1994) Co., Ltd. formed a joint venture with investment proportion of 34:33:33 percent respectively. The purpose of this joint venture is to participate in the elevated highway construction project on Route No.35: Thon Buri – Pak Tho (Rama II road) Bang Khun Tien Conjunction – Baan Paew, Phase 1 Bangkok, with the value of 3,733.08 Million Baht (excluding VAT). The construction period will be 1,080 days (commenced on August 28, 2019 and ending on August 11, 2022).
	Revenue from Project	27	35	-	Contract liabilities	12	
	Management	6	6	6			
	Other revenues						

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021		Remark
					Transaction in the balance sheet	Amount	
17. NCREC Joint Venture	Construction revenue	0	3	3	Accounts receivable	8	The Company in cooperation with China Railway Number 10 (Thailand) Co., Ltd. formed a joint venture with investment proportion of 51:49 percent respectively. The purpose of this joint venture is to participate in the construction project of National Water Resources' office building at Bang Talat, Pakkred, Nonthaburi, with the project value of 669.58 Million Baht (excluding VAT). The construction period will be 540 days (commenced on October 1, 2019 o March 24, 2021, the contract has been extended to July 13, 2023.
	Revenue from sales, rentals and services	0	-	2			
	Revenue from project management	3	2	-			
	Other revenue	2	2	1			

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
18. TN Joint Venture	Construction revenue	214	329	31		Contract asset	197	The Company in cooperation with
	Other revenue	<0.5	<0.5	-		Contract liability	98	Thanomwongse Service Co., Ltd. Formed
	Interest income	6	-	-		Other payable	<0.5	a joint venture with investment proportion
						Accrued interest	2	of 48 and 52 percent respectively. The
						Loan receivable	215	purpose of this joint venture is to participate
								in the construction project of the 3rd runway,
								taxiway D extension, and perimeter taxiway at
								Suvarnabhumi International Airport, with the
								project value of 9,078 Million Baht (excluding
								VAT). The construction period will be 1,050
								days (commenced on September 28, 2020 and
								ending on August 13, 2023).
19. TN- CEI Joint Venture	Construction revenue	27	22	-		Contract asset	32	The Company in cooperation with Thanomwongse
	Other revenue	-	<0.5	-		Contract liability	8	Service Co., Ltd. formed a joint venture
						Other payable	2	with investment proportion of 41:59 percent
						Accounts receivable	15	respectively. The purpose of this joint venture is to
								participate in the construction project of parallel
								taxiway system at the north side and maintenance
								taxiway at the end of apron, including taxiway
								A and B for Mae Fa Luang Airport at Chiang
								Rai, with the project value of 630 Million Baht
								(excluding VAT). The construction period will be
								660 days (commenced on October 4, 2021 and
								ending on July 26, 2023).

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021		Remark
					Transaction in the balance sheet	Amount	
20.NWR-AVP Joint Venture	Construction revenue	11	24	-	Contract asset	22	The Company in cooperation with Advance Prefab Company Limited formed a joint venture with investment proportion of 59 and 41 percent respectively. The purpose of this joint venture is to participate in the construction project of the connected way to connect the skywalk between Chulabhorn Hospital and Lak Si Station with a total contract value of 222.64 Million Baht (excluding VAT). The construction period will be 240 days commenced on March 31, 2021 ended on January 21, 2022, was extended to September 30, 2022
	Revenue from sales and services	2	8	-	Contract liability	7	
	Other revenue	2	<0.5	-	Other payable	2	
	Cost of construction	2	-	-			

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
21. CAN Joint Venture	Other revenue	14	2	-		Contract liabilities	12	The Company in cooperation with A.S Associated Engineering (1964) Company Limited and China State Construction Engineering Corporation Limited formed a joint venture with investment proportion of 30, 30 and 40 percent respectively. The purpose of this joint venture is to participate in the construction of cooperation project between the government of the Kingdom of Thailand and the government of the People's Republic of China for development of high-speed rail systems to connect regions Bangkok- Nong Khai with a total contract value of 10,771.36 Million Baht (excluding VAT). The construction period will be 1,080 days (commenced on August 30, 2021 and ending on August 13, 2024).
						Accounts receivable	<.05	
22. ITD-NWR Joint Venture	Construction revenue	110	1	-		Accounts receivable	8	The Company in cooperation with Italian-Thai Development Public Company Limited formed a joint venture with investment proportion of 30 and 70 percent respectively. The purpose of this joint venture is to participate in the construction project of drainage tunnel for Khlong Prem Prachakorn from Khlong Bang Bua to the Chao Phraya River with a total contract value of 7,694.72 Million Baht (excluding VAT). The construction period will be 1,800 days (commenced on September 8, 2021 and ending on August 30, 2026).
						Contract asset	103	
						Contract liability	86	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021		Remark
					Transaction in the balance sheet	Amount	
23. Italian-Thai Nawarat Joint Venture	Construction revenue	247	73	-	Accounts receivable	75	The Company in cooperation with Italian-Thai Development Public Company Limited formed a joint venture with investment proportion of 50 and 50 percent respectively. The purpose of this joint venture is to participate in the construction project of water transmission tunnel along the Ratchapruet Road, from Klong Mahasawat to Petchkasem Road with a total contract value of 3,751.68 Million Baht (excluding VAT). The construction period will be 1,095 days (commenced on May 27, 2021 and ending on May 30, 2024).
	Other revenue	1	1	-	Contract asset	232	
					Contract liability	142	
24. NTH Joint Venture	Construction revenue	175	<0.5	-	Accounts receivable	35	The Company in cooperation with Thai Slurry Seal Co., LTD. and Hatyai Rueang Chai Construction formed a joint venture with investment proportion of 53: 23.50:23.50 percent respectively. The purpose of this joint venture is to participate in the construction project of the extension of the runway with the airport electrical system and other components at Trang Airport Million Baht (excluding VAT). The with a total contract value of 1,659.55 Million Baht (excluding VAT). The construction period will be 1,095 days (commenced on September 23, 2021 and ending on January 5, 2025).
	Other revenue	<0.5	<0.5	-	Contract asset	105	
					Contract liability	43	

(Unit: Million Baht)

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
25. ITD-Nawarat Joint Venture	Other revenue	<0.5	-	-		Accounts receivable	1	The Company in cooperation with Italian-Thai Development Public Company Limited formed a joint venture with investment proportion of 10,45 : 89.55 percent respectively. The purpose of this joint venture is to participate in the construction of Track Doubling Project: Den Chai - Chiang Rai - Chiang Khong Section, Contract 1: Den Chai to Ngao Section with a total contract value of 24,822.43 Million Baht (excluding VAT). The construction period will be 2,160 days (commenced on December 29, 2021 and ending on January 5, 2025).
	Revenue from sale of assets	<0.5	-	-				

Person / Juristic person	Type of transaction in the profit & loss statement	Amount in 2021	Amount in 2020	Amount in 2019	Balance as at December 31, 2021	Transaction in the balance sheet	Amount	Remark
26. ITD-NWR MRT Joint Venture	Other revenue	<0.5	-	-		Accounts receivable	6	The Company in cooperation with Italian-Thai Development Public Company Limited formed a joint venture with investment proportion of 40:60 percent respectively. The purpose of this joint venture is to participate in the construction of MRT Purple Line project. Tao Poon - Rat Burana (Kanchanaphisek Ring) Contract 3: Design and Construction of Tunnels and Underground Stations Passing the sky - Phutthaphan Bridge
	Construction revenue	1	-	-		Advance payment	0	The received project value is 15,109 million baht (excluding VAT). The construction period is 2,005 days, starting on April 25, 2022 and ending on October 20, 2027.
	Revenue from project management	9	-	-		Interest on bills	1	
	Interest income	5	-	-		Short term loan	300	
27. NT Joint Venture	Other revenue	1	1	-		Accounts receivable	2	The Company in cooperation with Thanomwongse Service Co., Ltd. formed a joint venture with investment proportion of 51:49 percent respectively. The purpose of this joint venture is to participate in the construction project of soil improvement projects in the apron area adjacent to the 2nd concourse building at Suvarnabhumi Airport. project value Project value 3,080 million baht (excluding VAT), construction period 900 days, starting September 1, 2022, ending February 16, 2025.
						Advance payment	3	
						Accounts payable	8	
						Contract liabilities	60	

Summary of Related Party Loan and Advance (Unit:Million)

Person / Juristic person (receivable)	Balances of loans, advances and accrued interest income as of the final date					
	As at December 31, 2022		As at December 31, 2021		As at December 31, 2020	
	Loan principal	Accrued interest income	Loan principal	Accrued interest income	Loan principal	Accrued interest income
1. Myanmar NWR Company Limited	92	36	85	31	72	24
2. Nawarat (Cambodia) Company Limited	150	-	146	-	134	-
3. C.I.N. Estate Co., Ltd.	-	-	-	-	12	-
4. Advance Prefab Co., Ltd.	176	18	188	25	208	48
5. Mana Patanakarn Co., Ltd.	-	-	16	<0.5	-	-
6. Taste Maker Co., Ltd.	7	<0.5	9	<0.5	6	<0.5
7. ITD-Nawarat Joint Venture	-	-	<0.5	-	-	-
8. TN Joint Venture	200	2	-	-	-	-
9. NT Joint Venture	3	-	-	-	-	-

Movement of Related Party Loan and Advance (Unit:Million) (only principal)

Person / Juristic person (receivable)	Balance as at December 31, 2020	Increased amount during 2021	Decreased amount during 2021	Balance as at December 31, 2020	Increased amount during 2022	Decreased amount during 2022	Balance as at December 31, 2022
1. Myanmar NWR Company Limited	72	13	-	85	7	-	92
2. Nawarat (Cambodia) Company Limited	134	15	3	146	4	-	150
3. C.I.N. Estate Co., Ltd.	12	-	12	-	-	-	-
4. Advance Prefab Co., Ltd.	208	-	20	188	-	12	176
5. Mana Patanakarn Co., Ltd.	-	20	4	16	-	16	-
6. Taste Maker Co., Ltd.	6	3	-	9	-	2	-
7. ITD-Nawarat Joint Venture	-	<0.5	-	<0.5	-	<0.5	-
8. TN Joint Venture	-	-	-	-	200	-	200
9. NT Joint Venture	-	-	-	-	3	-	3

Additional Notes Concerning Related Parties

1. Ruen Rapee Co., Ltd. ("Ruen Rapee")

Ruen Rapee Co., Ltd. was established on February 6, 2003. Currently, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phutharee are directors and shareholders; they are younger sisters of Mr. Polpat Karnasuta, Chief Executive Officer of Nawarat Patanakarn Public Company Limited.

Ruen Rapee conducts the real estate business and the project called "Bam Baranee" Project located at Klong3, Rangsit. The project consists of 205 units of detached houses on the area approximately 56 rai with the selling price range between 2.5 and 3.5 Million Baht. The Company has undertaken the construction of the buildings and the utility systems for Ruen Rapee.

Summary of related transactions between Nawarat Patanakarn Public Company Limited and Ruen Rapee Company Limited (Unit: Million Baht)

Transactions	As of 31-12-22	As of 31-12-21	As of 31-12-20	As of 31-12-19	As of 31-12-18	As of 31-12-17	As of 31-12-16	As of 31-12-15	As of 31-12-14	As of 31-12-13
Accounts Receivable	41	41	41	41	41	41	41	41	45	67
Less Allowance for doubtful accounts	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(41)	(45)	(67)
Accounts payable	-	-	-	-	-	-	-	-	-	-

Guidelines for tackling unpaid debts

1. In the third quarter of 2008, Ruen Rapee transferred its assets comprising of 12 houses and title deeds of "Bam Baranee" project which equal to 24.505 Million Baht in order to partially repay its debt to the Company and also, during the second quarter of 2009, it transferred another 24 houses together with title deeds and 22 deeds of vacant plots which equal to 57.480 Million Baht for repayment of its outstanding debts. Thus, the total amount of the transferred houses and 58 title deeds were transferred for debt repayment to equal to 81.985 Million Baht.
2. (Note: In the third quarter of 2008, the amount of assets transferred is 39,073 Million Baht; however, after value reappraisal, it was found that the forced sale value was only 24.505 Million Baht. Thus, the difference price of 14.568 Million Baht was deducted out of the second assets transfer. Therefore, the amount of second assets transfer equaled to 57.480 Million Baht deducted by the difference price resulting in the asset value of 42.912 Million Baht for the second quarter of 2009.)
3. Ruen Rapee will repay the total outstanding debts by installment repayment, according to its business's net cash flow.

2. East Bangkok Assets Co., Ltd. ("East Bangkok")

East Bangkok was established on May 12, 2003. Currently, the younger sisters of Mr. Polpat Karnasuta, the Chief Executive Officer of NawaratPatanakarn Public Company Limited, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuththaree are directors and shareholders of the company.

East Bangkok has operated the business of real estate with its 2 projects in progress as follows:

1. The project called **"De Ville"** located at Soi Patana Chumchon, Srinakarin Road. The project consists of 50 units of detached houses in which the Company is undertaking utility system works for East Bangkok.
2. The project called **"De Siam"** located at Soi Chalermprakiet Ror Kao, Soi 38, the project consists of 80 townhomes in which the Company is constructing the buildings and the utility system works.

Summary of Transactions between Nawarat Patanakarn Public Company Limited and East Bangkok Assets Co., Ltd. (Unit: Million Baht)

Transactions	As of 31-12-22	As of 31-12-21	As of 31-12-20	As of 31-12-19	As of 31-12-18	As of 31-12-17	As of 31-12-16	As of 31-12-15	As of 31-12-14	As of 31-12-13
Accounts receivable	25	25	26	26	26	26	26	26	25	24
Less Allowance for doubtful accounts	25	(25)	(26)	(26)	(26)	(26)	(26)	(26)	(26)	(25)
Revenue not yet billed	-	-	-	-	-	-	-	-	-	-
Less Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Account payable	<0.5	<0.5	<0.5	-	<0.5	-	-	-	-	-

Guidelines for tackling outstanding debts

In the fourth quarter of 2009, East Bangkok transfer its assets to repay the debts, by transferring 50 plots of land at "De Siam" which equal to 34,500 Million Baht.
(Note: The Company was responsible for the transfer fee of 1,203 Million Baht; thus, the value of land recorded by the Company was equal to 35,703 Million Baht)
East Bangkok will repay the outstanding debts by installment payment, according to its business's net cash flow.

3. New Decade Co., Ltd. ("New Decade")

New Decade was established on May 6, 2003. Currently, the younger sisters of Mr. Polpat Karnasuta, the Chief Executive Officer of Nawarat Patanakarn Public Company Limited, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phutharee are directors. Mrs. Sutheera Phutharee is also a shareholder of New Decade.

In 2003, New Decade undertook the construction of the bridge at KohYoh in Songkhla province, as a subcontractor. During that time, the Company was in its third year of operation under the rehabilitation plan (during the end of 2000 until 2005) in which it became so tough for the Company to apply for financial support and supply itself with enough working capital for various operations; this also includes 50% personnel reduction. However, in order to maintain the Company's market share, it was necessary to subcontract the then-awarded works such as the above mentioned work. This is under the agreement that the purchase of main materials had to be made with the Company for the sake of quality control. However, in early 2004, prices of construction materials rapidly went up, especially steel and cement which became highly expensive. The rising of oil prices in the world market was as high resulting in much higher construction costs. This made New Decade face loss and put a hold on its payments for materials and machine rentals, which was supposed to be made to the Company.

Summary of Related Transactions between Nawarat Patanakarn Public Company Limited and New Decade Co., Ltd. (Unit: Million Baht)

Transactions	As of 31-12-22	As of 31-12-21	As of 31-12-20	As of 31-12-19	As of 31-12-18	As of 31-12-17	As of 31-12-16	As of 31-12-15	As of 31-12-14	As of 31-12-13
Accounts receivable	87	89	89	92	92	95	101	98	109	90
Less Allowance for doubtful accounts	(87)	(89)	(88)	(90)	(90)	(90)	(95)	(95)	(90)	(90)
Revenue not yet billed	-	-	-	-	-	-	-	-	-	-
Advance payment for subcontractors	-	-	-	-	-	-	-	-	-	-
Accounts payable	1	2	1	3	1	4	8	2	8	<0.5

Guidelines for tackling unpaid debts

After estimating New Decade's expenses and incomes to further estimate its debt repayment to the Company, it can be concluded as follows:

1. New Decade would attend bidding sessions held by both Government and private sectors; however, if its qualifications were considered not met with requirements of any session then the bidding would take in a form of a joint venture instead in order to earn enough income for debt repayment. In November 2016, a joint venture between New Decade and Nawarat Patanakarn Public Company Limited was registered in order to increase the chance of bidding. Moreover, New Decade had joined Samcon Company Limited and worked on the purchase-sale and installation of equipment and machinery at Waste Transfer Station (new system) at Saimai Waste Disposal Center, with the project value of 735 Million Baht. The project was run under the name "Samcon-New Decade Joint Venture" and completed in March, 2011. During the project operation, New Decade agreed to repay the debt by installment repayment in accordance with the net cash flow (not less than 200,000 Baht per month).
2. New Decade would contact renowned contractors with a solid financial status to seek for subcontracted works of construction, which is also technically beneficial, and is regarded as enhancing the competency of New Decade for future work opportunities.
3. New Decade is going to take on the role of a consultant for construction projects both locally and internationally

9.4.2 Related Party Transaction Policy and Trend

Loan policy for Joint Ventures to be implemented in the future

The Company will grant loans only when deemed necessary and will base the loan interest rate on the market rate. In this regard, the shareholders' meeting No. 1/1997 held on April 29, 1997 considered approving related-party transactions with regard to the practice of granting and receiving financial support, which is the Company's practice as shown in the details below:

Since the Company's and the related parties' financial management is collectively as one for the utmost benefit and effectiveness in terms of liquidity and for more ability to negotiate with financial institutions, the Company has set up guidelines for providing financial support to related parties which are divided into 3 groups as follows:

1. The group of Joint-Venture companies in which Nawarat Patanakarn Public Company Limited co-invests at the rate of less than 90%.
2. The group of co-invested companies in which Nawarat Patanakarn Public Company Limited invests at the rate of less than 90%.
3. The group of companies falling into Group 1 and 2 above which will make an investment in the future.

The granting of loans takes forms of promissory notes, loan guarantees as well as other financial burdens with returns disbursed at the interest rate close to that offered to premier customers at leading commercial banks, but only for the transaction size which is not higher than 25% of the overall assets according to the consolidated financial statement figures in each quarter starting from April 1997 until there is any change.

Future construction policy established for related parties

If employed to perform works of another company in the same group whether it be construction of factories, office buildings, or construction for the company that operates on the real estate development project, the project price must be as at an appropriate market price with reasonable profits and not incurring too much cost to the employer.

Operation policy in case of tendering with the company's affiliate and related parties

The Company's Independent Director would appoint an independent engineer for verifying the drawing and the construction value in order to report it to the Company's Board of Directors (including Independent Directors) immediately after the bidding and also make his comments on the annual report.

Summary of Related Party Transactions

1. In case of trading transactions, the price of employment shall be that of the market price equaling to the one offered to the external third party as a general trading business practice. For the sale of products, the price shall be the same price as one offered to the outside customers. As for the related party Transactions, there shall be contracts with all details similar to those entered into with the third party in an ordinary business.

2. In case of related party loan, the interest rate charged shall be in accordance with the cost of fund or as determined in the contract. The interest rate charged shall not be in accordance with the market rate because the cost of fund should be firstly considered, without consideration of the rate used in any general businesses. In this regard, the Company considers that if the loan interest rate is defined according to the market rate it is not fair and unreasonable. Because it is possible that the cost of loan may be higher than the market rate; thus, it is more appropriate consider the cost of fund. Likewise, if the cost of fund is low, the Company would compare it with MLR (Minimum Loan Rate) and MOR (Minimum Overdraft Rate) of commercial banks and consider granting loan with the interest rate at MLR or MOR. In addition, the Company would grant loan to other businesses in the form of related party transaction only if such businesses have shown their reasons and necessities for taking such loan. The Company would not consider granting any loan if it is not for operating the business, and the loan needs to produce utmost benefit to the Company as well.

3. The collection of debts from accounts receivable in subsidiary companies, joint venture companies and related parties would be performed in the same way as same as general accounts receivable.

The Audit Committee has stated its opinion that the Company has properly complied with the regulations of the Stock Exchange of Thailand, by disclosing the related party transaction in financial statement and following the principle of Stock Exchange of Thailand since the transactions occurred.

Report of the Board of Directors on Responsibilities towards the Financial Report

The Board of Directors takes accountability for the consolidated financial statements of the Company, including information disclosed in this annual report. The aforementioned financial statements have been prepared in accordance with generally accepted and consistently practiced the accounting standards by selecting appropriate accounting policies, together with careful discretion and best estimation. All materialized information has been sufficiently disclosed in the notes of financial statements. The Board of Directors, furthermore, provides:

- Internal control system which responsible by the Internal Audit Division who report directly to the Audit Committee, in order to ensure its independence from the management's domination.
- Practical guideline of good corporate governance for the Directors, executives and employees to adhere to.
- Proper and effective risk management system to reduce causes of each potential damages to the Company, to ensure that the preparation of financial and accounting statements is accurate, complete, and sufficient for maintaining the assets and preventing fraud.

The Board of Directors appointed the Audit Committee to reviewing the Accounting Policy and reviewing an accuracy of financial reports as well as internal control system and internal audit. Further information is disclosed in the report of the Internal Audit in this annual report. Moreover, the Company's financial statements have been audited by the Certified Public Accountant (CPA) of EY Office Limited, in which within this report, the opinion of the CPA is represented in the independent auditors' report.

In the view of the Board of Directors, the Company's overall internal control system is satisfactory and reasonably assured that the financial statements of Nawarat Patanakarn Public Company Limited, its subsidiaries and joint ventures ended 31st December 2022 are reliable and in compliance with laws and relevant regulations.

Mr. Prasertphand Pipatanakul
Chairman

Nawarat Patanakarn Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of Nawarat Patanakarn Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Nawarat Patanakarn Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nawarat Patanakarn Public Company Limited and its subsidiaries and of Nawarat Patanakarn Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

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

Key audit matter and how audit procedures respond for the matter are described below.

Recognition of revenue from construction

The Group has disclosed its policies on recognition of revenue from construction and estimates of construction costs in Note 4 and Note 5 to the consolidated financial statements. I identified revenue recognition to be an area of significant risk in the audit. This is because the amount of revenue that the Group recognises in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement and the determination of the appropriate timing of recognition are areas requiring management to exercise significant judgement to assess the percentage of completion. There are therefore risks with respect to the amount and timing of the recognition of revenue from construction.

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

I also selected construction contracts made with major customers and randomly selected additional samples to

- Read the contracts to consider the conditions relating to recognition of revenue from construction.
- Inquire with the management about the terms of and risks associated with these contracts relevant to recognition of revenue from construction.
- Made enquiries of responsible executives, gained an understanding of the Group's procedures for assessing the percentage of completion and estimating costs of projects, examined estimates of project costs to the project budgets approved by the authorised person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions. I checked actual costs to supporting documents and tested the calculation of the percentage of completion based on actual costs incurred.

In addition, I reviewed the rationale for the conclusion reached by the management as a result of comparison of the percentage of completion evaluated by the project management to the actual costs incurred, and obtained a letter of representation from the project management.

- Evaluated possible losses on projects assessed by the management through an analysis of the ratio of actual costs incurred to the estimated costs of projects, for each significant cost component.
- Examined accounting transactions related to recognition of revenue from construction that were recorded through journal vouchers, in order to detect possible irregularities.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Poonnard Paocharoen
Certified Public Accountant (Thailand) No. 5238

EY Office Limited
Bangkok: 28 February 2023

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	1,738,483,529	1,425,048,128	1,263,309,535	1,313,588,972
Trade and other receivables	8	1,460,692,706	1,244,450,409	1,962,076,706	1,534,449,783
Contract assets	9	8,565,025,657	7,088,982,822	8,264,013,266	6,801,788,749
Short-term loans and advances		1,410,470	-	1,410,470	-
Current portion of long-term loans	16	111,800,000	-	134,298,956	37,167,544
Inventories	10	1,602,971,695	1,537,475,331	1,347,226,224	1,326,278,553
Project development cost	11	1,057,353,431	1,069,140,698	14,484,587	14,484,587
Other current financial assets	12	6,542,301	6,511,467	6,542,301	6,511,467
Other current assets	13	2,050,122,237	1,476,792,561	2,040,697,367	1,469,130,829
Total current assets		16,594,402,026	13,848,401,416	15,034,059,412	12,503,400,484
Non-current assets					
Restricted bank deposits	14	190,557,002	184,547,782	115,152,070	109,770,274
Other non-current financial assets	15	10,746,978	10,746,978	10,746,978	10,746,978
Long-term loans, net of current portion	16	199,760,514	206,961,637	375,681,602	404,921,069
Investments in subsidiaries	17	-	-	1,713,326,766	1,713,326,766
Investments in associate	18	223,919,652	207,961,778	-	-
Investment properties	19	182,569,329	182,694,330	178,880,829	178,880,829
Property, plant and equipment	20	1,958,454,504	1,753,075,558	1,330,775,761	1,079,619,667
Right-of-use assets	23	385,460,069	446,273,873	196,926,858	249,525,182
Deferred tax assets	33	84,198,290	98,475,350	60,916,710	72,014,852
Other non-current assets		61,954,622	138,412,442	39,415,270	99,396,013
Total non-current assets		3,297,620,960	3,229,149,728	4,021,822,844	3,918,201,630
Total assets		19,892,022,986	17,077,551,144	19,055,882,256	16,421,602,114

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	21	4,673,731,305	4,604,696,861	4,529,431,621	4,483,025,802
Trade and other payables	22	3,722,940,926	2,963,266,697	3,686,293,439	2,755,904,395
Contract liabilities	9	5,056,281,936	4,052,208,662	5,031,659,255	4,007,078,554
Current portion of lease liabilities	23	66,785,327	77,402,659	60,288,949	71,994,994
Current portion of long-term loans from banks	24	183,963,000	102,509,000	-	30,000,000
Current portion of long-term loans from unrelated party	25	22,500,000	32,000,000	-	-
Short-term loans	26	270,986,814	160,129,185	269,486,814	158,579,185
Retention payables		613,292,972	491,577,259	617,027,110	471,979,232
Provision for construction project loss		30,700,737	64,372,941	30,700,737	64,372,941
Other current liabilities		225,110,711	316,567,089	130,783,916	150,952,904
Total current liabilities		14,866,293,728	12,864,730,353	14,355,671,841	12,193,888,007
Non-current liabilities					
Lease liabilities, net of current portion	23	183,373,539	214,165,023	59,398,460	87,265,433
Long-term loans from banks,					
net of current portion	24	1,360,124,000	1,369,720,000	1,195,000,000	1,195,000,000
Long-term loans from unrelated party, net					
of current portion	25	7,500,000	-	-	-
Debentures	27	492,806,967	-	492,806,967	-
Provision for long-term employee benefits	28	289,054,977	278,131,613	235,744,739	229,103,021
Deferred tax liabilities	33	6,262,248	-	-	-
Other non-current liabilities		4,826,243	3,341,226	2,489,727	2,489,727
Total non-current liabilities		2,343,947,974	1,865,357,862	1,985,439,893	1,513,858,181
Total liabilities		17,210,241,702	14,730,088,215	16,341,111,734	13,707,746,188

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
2,585,481,515 ordinary shares of Baht 1 each		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515
Issued and fully paid					
2,585,481,515 ordinary shares of Baht 1 each		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515
Premium on ordinary shares		968,944,135	968,944,135	968,944,135	968,944,135
Surplus from changes in ownership					
interests in a subsidiary		78,271,823	-	-	-
Retained earnings (deficits)					
Appropriated - statutory reserve	29	62,653,551	56,453,551	52,453,551	52,453,551
Unappropriated		(1,339,253,667)	(1,370,213,864)	(892,108,679)	(893,023,275)
Other components of shareholders' equity		6,326,046	5,843,319	-	-
Equity attributable to owners of the Company		2,362,423,403	2,246,508,656	2,714,770,522	2,713,855,926
Non-controlling interests of the subsidiary		319,357,881	100,954,273	-	-
Total shareholders' equity		2,681,781,284	2,347,462,929	2,714,770,522	2,713,855,926
Total liabilities and shareholders' equity		19,892,022,986	17,077,551,144	19,055,882,256	16,421,602,114
		-	-	-	-

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

Directors

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Revenue from construction	30	11,970,715,018	9,888,735,925	11,281,109,523	9,363,979,600
Sales and service income	30	1,126,893,947	1,198,642,912	271,904,893	185,107,331
Other income		142,267,973	121,829,724	153,441,450	234,657,415
Total revenues		13,239,876,938	11,209,208,561	11,706,455,866	9,783,744,346
Expenses					
Cost of construction		11,302,691,169	10,070,322,355	10,805,690,790	9,663,063,389
Cost of sales and service		905,477,551	954,426,789	248,419,101	176,020,885
Selling and distribution expenses		83,793,349	98,409,942	-	-
Administrative expenses		566,010,681	565,273,093	351,209,806	334,492,036
Impairment loss on financial assets		18,591,395	29,834,199	43,897,361	71,306,676
Total expenses		12,876,564,145	11,718,266,378	11,449,217,058	10,244,882,986
Operating profit (loss)		363,312,793	(509,057,817)	257,238,808	(461,138,640)
Share of profit from investments in associates	18	15,957,874	6,997,286	-	-
Finance income		7,308,174	3,645,112	21,100,708	18,283,080
Finance cost	31	(283,732,552)	(242,989,243)	(257,409,818)	(214,878,371)
Profit (loss) before income tax expenses		102,846,289	(741,404,662)	20,929,698	(657,733,931)
Income tax income (expenses)	33	(37,825,051)	(5,994,186)	(20,015,102)	3,184,676
Profit (loss) for the year		65,021,238	(747,398,848)	914,596	(654,549,255)

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		482,727	(7,225,346)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		482,727	(7,225,346)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain	28	469,776	31,086,159	-	26,573,642
Less: Income tax effect	33	(93,955)	(6,217,232)	-	(5,314,729)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		375,821	24,868,927	-	21,258,913
Other comprehensive income for the year		858,548	17,643,581	-	21,258,913
Total comprehensive income for the year		65,879,786	(729,755,267)	914,596	(633,290,342)
Profit (loss) attributable to:					
Equity holders of the Company		36,998,594	(768,339,068)	914,596	(654,549,255)
Non-controlling interests of the subsidiary		28,022,644	20,940,220	-	-
		65,021,238	(747,398,848)		
Total comprehensive income attributable to:					
Equity holders of the Company		37,642,924	(751,063,258)	914,596	(633,290,342)
Non-controlling interests of the subsidiary		28,236,862	21,307,991	-	-
		65,879,786	(729,755,267)		
Basic earnings (deficits) per share	34				
Profit (loss) attributable to equity holders of the Company		0.0143	(0.2972)	0.0004	(0.2532)
Weighted average number of ordinary shares (shares)		2,585,481,515	2,585,481,515	2,585,481,515	2,585,481,515

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

	Consolidated financial statements										(Unit: Baht)
	Equity attributable to owners of the Company										
	Other components of shareholders' equity										
	Other comprehensive income										
	Exchange differences on translation of financial statements in foreign currency										
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The accompanying notes are an integral part of the financial statements.

Nawarat Patanakarn Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid share capital	Premium on ordinary shares	Retained earnings (deficits)	Total	
			Appropriated	Unappropriated	shareholders' equity
Balance as at 1 January 2021	2,585,481,515	968,944,135	52,453,551	(259,732,933)	3,347,146,268
Loss for the year	-	-	-	(654,549,255)	(654,549,255)
Other comprehensive income for the year	-	-	-	21,258,913	21,258,913
Total comprehensive income for the year	-	-	-	(633,290,342)	(633,290,342)
Balance as at 31 December 2021	<u>2,585,481,515</u>	<u>968,944,135</u>	<u>52,453,551</u>	<u>(893,023,275)</u>	<u>2,713,855,926</u>
Balance as at 1 January 2022	2,585,481,515	968,944,135	52,453,551	(893,023,275)	2,713,855,926
Total comprehensive income for the year	-	-	-	914,596	914,596
Balance as at 31 December 2022	<u>2,585,481,515</u>	<u>968,944,135</u>	<u>52,453,551</u>	<u>(892,108,679)</u>	<u>2,714,770,522</u>
					-

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit (loss) before tax	102,846,289	(741,404,662)	20,929,698	(657,733,931)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	405,981,605	417,460,976	322,062,857	323,978,928
Impairment loss on financial assets	18,591,395	29,834,199	43,897,361	71,306,676
Reduction of inventory to net realisable value (reversal)	5,988,706	(5,967,725)	(2,099,103)	971,929
Loss on write-off withholding tax	204,199	860,044	98,639	856,112
Increase in allowance for impairment of investment in subsidiary	-	-	-	16,984
Share of profit from investments in associates	(15,957,874)	(6,997,286)	-	-
Gain on fair value adjustments of other current financial assets	(29,752)	(68,207)	(29,752)	(68,207)
Gain on disposal of equity investment at fair value through profit or loss	-	(4,865,000)	-	-
Gain on disposal and write-off equipment	(17,302,876)	(28,615,268)	(17,574,593)	(28,633,413)
Increase in allowance for loss on impairment of fixed assets (reversal)	(16,037,443)	9,737,307	(15,161,126)	-
Unrealised gains on exchange	(949,194)	(1,044,129)	(8,761,238)	(26,090,303)
Increase in provision for long-term employee benefits	24,994,353	22,960,202	19,153,459	17,716,028
Increase in provision for construction project loss (reversal)	(33,672,205)	56,755,470	(33,672,205)	56,755,470
Amortisation of deferred debenture issuing cost	524,911	-	524,911	-
Dividend income	-	-	(19,349,985)	(110,399,908)
Finance income	(7,308,174)	(3,645,112)	(21,100,708)	(18,283,080)
Finance cost	283,732,552	242,989,243	257,409,818	214,878,371
Profit (loss) from operating activities before changes in operating assets and liabilities	751,606,492	(12,009,948)	546,328,033	(154,728,344)

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Operating assets decrease (increase)				
Trade and other receivables	(276,333,292)	455,269,104	(491,451,191)	333,940,733
Contract assets	(1,476,042,834)	(2,022,781,310)	(1,462,224,518)	(1,960,617,054)
Inventories	(71,485,069)	(635,865,328)	(18,848,568)	(544,830,872)
Project development cost	16,524,717	361,587,423	-	-
Other current assets	(617,493,301)	(426,178,740)	(627,500,598)	(406,042,441)
Other non-current assets	59,211,235	31,590,386	59,980,743	33,068,725
Operating liabilities increase (decrease)				
Trade and other payables	754,126,961	723,655,323	925,083,263	794,287,162
Contract liabilities	1,004,073,274	1,095,183,196	1,024,580,702	1,097,483,627
Other current liabilities	(88,387,535)	(15,169,625)	(21,639,002)	(33,134,934)
Retention payables	121,715,714	135,985,135	145,047,878	148,572,069
Other non-current liabilities	845,985	2,022,032	-	1,378,620
Payment of long-term employee benefits	(13,713,823)	(15,340,340)	(12,511,741)	(14,382,296)
Cash from (used in) operating activities	164,648,524	(322,052,692)	66,845,001	(705,005,005)
Cash paid for interest expenses	(265,713,088)	(228,831,387)	(242,406,168)	(203,748,093)
Cash paid for income tax expenses	(268,407,938)	(215,409,543)	(232,647,579)	(196,006,513)
Income tax refund	309,139,951	5,102,709	281,036,054	-
Net cash used in operating activities	(60,332,551)	(761,190,913)	(127,172,692)	(1,104,759,611)
Cash flows from investing activities				
Decrease (increase) in other current financial assets	(1,082)	235,166	(1,082)	235,166
Proceeds from disposal of equity investment at fair value through profit or loss	-	10,185,000	-	-
Decrease (increase) in short-term loans and advances, net	(1,410,470)	15,438,733	(10,750,118)	9,365,413
Decrease (increase) in restricted bank deposits	(6,009,220)	46,964,789	(5,381,796)	73,868,173
Cash received from long-term loans	-	12,000,000	37,938,544	58,131,101
Cash paid for long-term loans	(111,800,000)	(2,250,000)	(111,800,000)	(23,200,000)
Cash paid for investment in subsidiary	-	-	-	(104,999,920)
Proceeds from disposal of equipment	26,236,803	34,363,934	25,612,632	34,193,445
Acquisition of equipment	(498,260,288)	(177,443,665)	(473,447,875)	(158,557,050)
Dividend income	-	-	19,349,985	110,399,908
Interest income	56,958,089	28,337,719	65,098,012	10,183,233
Net cash from (used in) investing activities	(534,286,168)	(32,168,324)	(453,381,698)	9,619,469

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions, net	69,034,444	1,560,348,335	46,405,819	1,452,633,170
Cash received from short-term loans	185,642,329	141,270,995	185,642,329	130,547,945
Repayment of short-term loans	(78,273,996)	(72,458,889)	(78,223,996)	(62,285,839)
Repayment of liabilities under lease agreements	(99,410,009)	(113,047,451)	(85,831,255)	(98,084,269)
Cash received from long-term loans from unrelated party	30,000,000	-	-	-
Repayment of long-term loans from unrelated party	(32,000,000)	(8,000,000)	-	-
Cash received from long-term loans from banks	240,028,000	35,817,000	-	-
Repayment of long-term loans from banks	(168,170,000)	(484,937,410)	(30,000,000)	(37,500,000)
Cash received from non-controlling interests				
of investments in subsidiary	-	70,000,080	-	-
Net cash received from issuance of debentures	492,282,056	-	492,282,056	-
Capital increase of a subsidiary	281,338,584	-	-	-
Dividend paid by subsidiary to non-controlling interests	(12,900,015)	(73,600,092)	-	-
Net cash from financing activities	907,571,393	1,055,392,568	530,274,953	1,385,311,007
Increase (decrease) in translation adjustment	482,727	(7,225,346)	-	-
Net increase (decrease) in cash and cash equivalents	313,435,401	254,807,985	(50,279,437)	290,170,865
Cash and cash equivalents at beginning of year	1,425,048,128	1,170,240,143	1,313,588,972	1,023,418,107
Cash and cash equivalents at end of year	1,738,483,529	1,425,048,128	1,263,309,535	1,313,588,972
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Increase in right-of-use assets and lease liabilities from				
additional lease agreements	45,057,941	74,806,511	40,049,665	73,622,020
Reclassify short-term loan and advances				
to long-term loan	-	-	-	2,500,000
Transfer right-of-use assets to property, plant				
and equipment	48,404,815	33,435,311	46,488,418	32,067,842
Capitalised interest as a part of project development cost	4,737,450	253,662	-	-

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

Nawarat Patanakarn Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2022

1. General information

Nawarat Patanakarn Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of construction services and its registered office is at 2/3, Bangna Towers A, 18th-19th Floor, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Nawarat Patanakarn Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group") as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022 Percent	2021 Percent
Utilities Business Alliance Public Company Limited	Water and wastewater utility management service	Thailand	43	60
Mana Development Company Limited	Property development	Thailand	100	100
Advance Prefab Company Limited	Manufacture and distribution of concrete products	Thailand	100	100
Tastemaker Company Limited	Restaurant and distribution of processed food	Thailand	99	99
NWR (Cambodia) Company Limited	Constructions consulting services	Cambodia	100	100
Nawarat (Cambodia) Company Limited	Construction	Cambodia	100	100
Myanmar NWR Company Limited	Construction	Union of Myanmar	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associate presented under the cost method.

- 2.4 The Group has interests in joint operations which are joint arrangements whereby the Group has rights to assets and obligations relating to the joint arrangements. The Group recognises assets, liabilities, revenues and expenses in relation to its interest in the joint operations in the consolidated and separate financial statements from the date that joint control commences until the date that joint control ceases. Details of the joint operations are as follows:

Name of entity	Nature of business	Country of incorporation	Interest in	
			joint operations	
			2022	2021
			Percent	Percent
<u>The Company entered into joint operations</u>				
<u>with other companies</u>				
Nawarat - A.S. Associated Joint Venture	Construction	Thailand	70	70
A.S. - Nawarat Joint Venture	Construction	Thailand	50	50
NTA Joint Venture	Construction	Thailand	34	34
NCREC Joint Venture	Construction	Thailand	51	51
TN Joint Venture	Construction	Thailand	48	48
TN-CEI Joint Venture	Construction	Thailand	49	49
Italianthai-Nawarat Joint Venture	Construction	Thailand	50	50
ITD-NWR Joint Venture	Construction	Thailand	30	30
ITD-Nawarat Joint Venture	Construction	Thailand	10.45	10.45
NTH Joint Venture	Construction	Thailand	53	53
CAN Joint Venture	Construction	Thailand	30	30
ITD-NWR MRT Joint Venture	Construction	Thailand	40	-
NT Joint Venture	Construction	Thailand	51	-
<u>The Company entered into joint operations</u>				
<u>with its subsidiary</u>				
NWR-AVP Joint Venture	Construction	Thailand	100	100
<u>The subsidiary entered into joint operations</u>				
<u>with other company</u>				
Nawarat Advance Prefab Myanmar Company Limited	Manufacture and distribution of concrete products	Union of Myanmar	70	70

During the current year, the Group entered into the joint operations with the following companies.

ITD-NWR MRT Joint Venture

The Company entered into joint arrangement with Italian-Thai Development Public Company Limited, a 40 percent investment in ITD-NWR MRT Joint Venture, which submits construction bids and provides services related to procurement and operation for construction projects.

NT Joint Venture

The Company entered into joint arrangement with Thanomwongse Service Co., Ltd., which consist of an investment in a 51 percent interest in NT Joint Venture, which submits construction bids and provides services related to procurement and operation for construction projects.

Financial information of the joint operations, in proportion to the interest of the Group, are presented include in the consolidated and separate financial statement as below.

Summarised information about financial position as at 31 December 2022 and 2021.

(Unit: Million Baht)

Consolidated financial statements														
Nawarat - A.S.														
	Associated		A.S. - Nawarat		NTA		NCREC		TN		TN-CEI		NWR-AVP	
	Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Current assets	2	2	1	1	118	149	182	164	894	719	91	42	51	96
Non-current assets	-	-	-	-	2	2	12	14	-	-	-	-	1	1
Current liabilities	6	6	10	9	79	124	194	178	887	713	88	42	92	94
Non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Venturers' equity	(4)	(4)	(9)	(8)	41	27	-	-	7	6	3	-	(40)	3

(Unit: Million Baht)

Consolidated financial statements																
Italianthai-Nawarat					Nawarat Advance											
Joint Venture		ITD-NWR		ITD-Nawarat		NTH		CAN		Prefab Myanmar		ITD-NWR MRT		NT		
		Joint Venture	2022	2021	Joint Venture	2022	2021	Joint Venture	2022	2021	Company Limited	2022	2021	Joint Venture	2022	2021
Current assets	622	352	356	219	264	-	229	131	565	490	12	18	971	-	148	-
	3	5	182	4	-	-	-	-	10	10	11	12	23	-	-	-
Current liabilities	622	357	537	223	263	-	226	132	565	496	32	29	990	-	150	-
Non-current liabilities	-	2	2	3	-	-	-	-	-	-	-	-	3	-	-	-
Venturers' equity	3	(2)	(1)	(3)	1	-	3	(1)	10	4	(9)	1	1	-	(2)	-

Separate financial statements														(Unit: Million Baht)
Nawarat - A.S.														
Associated		A.S. - Nawarat		NTA		NCREC		TN		TN-CEI		NWR-APV		
Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
2	2	1	1	118	149	164	182	894	719	91	42	51	96	
-	-	-	-	2	2	14	12	-	-	-	-	1	1	
6	6	10	9	79	124	178	194	887	713	88	42	92	94	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(4)	(4)	(9)	(8)	41	27	-	-	7	6	3	-	(40)	3	
Separate financial statements														
Italianthai-														
Nawarat		ITD-NWR		ITD-Nawarat		NTH		CAN		ITD-NWR MRT		NT		
Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
622	352	356	219	264	-	131	229	565	490	971	-	148	-	
3	5	182	4	-	-	-	-	10	10	23	-	-	-	
622	357	537	223	263	-	132	226	565	496	990	-	150	-	
-	2	2	3	-	-	-	-	-	-	3	-	-	-	
3	(2)	(1)	(3)	1	-	(1)	3	10	4	1	-	(2)	-	

Summarised information about comprehensive income for the years ended 31 December 2022 and 2021.

(Unit: Million Baht)

Consolidated financial statements														
Nawarat - A.S.														
Associated Joint Venture		A.S. - Nawarat Joint Venture		NTA Joint Venture		NCREC Joint Venture		TN Joint Venture		TN-CEI Joint Venture		NWR-AVP Joint Venture		
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
-	-	-	-	337	438	89	90	1,397	742	106	11	129	82	
-	-	(2)	(2)	14	17	-	(1)	1	11	4	-	(43)	3	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	(2)	(2)	14	17	-	(1)	1	11	4	-	(43)	3	

(Unit: Million Baht)

Consolidated financial statements															
Italianthai-Nawarat				Nawarat Advance											
Joint Venture		ITD-NWR		ITD-Nawarat		NTH		CAN		Prefab Myanmar Company Limited		ITD-NWR MRT		NT	
2022		2021		2022		2021		2022		2021		2022		2021	
Total revenue	383	78	129	2	38	-	188	-	313	81	9	14	102	-	1
Profit (loss)	5	(2)	3	(3)	1	-	4	(1)	6	4	(10)	(5)	-	-	(2)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	5	(2)	3	(3)	1	-	4	(1)	6	4	(10)	(5)	-	-	(2)

(Unit: Million Baht)

Separate financial statements

Nawarat - A.S.		A.S. - Nawarat		NTA		NCREC		TN		TN-CEI		NWR-AVP	
Associated Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
-	-	-	-	337	438	89	90	1,397	742	106	11	129	82
-	-	(2)	(2)	14	17	-	(1)	1	11	4	-	(43)	3
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	(2)	(2)	14	17	-	(1)	1	11	4	-	(43)	3

Total revenue

Profit (loss)

Other comprehensive income

Total comprehensive income

(Unit: Million Baht)

Separate financial statements

Italianthai-Nawarat		ITD-NWR		ITD-Nawarat		NTH		CAN		ITD-NWR MRT		NT	
Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture		Joint Venture	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
383	78	129	2	38	-	188	-	313	81	102	-	1	-
5	(2)	3	(3)	1	-	4	(1)	6	4	-	-	(2)	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	(2)	3	(3)	1	-	4	(1)	6	4	-	-	(2)	-

Total revenue

Profit (loss)

Other comprehensive income

Total comprehensive income

3. New financial reporting standards

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

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenues and expense recognition

Revenues from construction contracts

The Group determines that their construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, which is based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

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

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

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

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

Revenue from sales of real estate

Revenue from sales of land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership/delivery of the goods. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented as the part of “Contract liabilities” in the statement of financial position.

Sales of goods

Sales of goods are recognised at the point in time when control of goods is transferred to the customer, generally upon delivery of the goods. Sales are measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts and allowances.

Rendering of services

Service income is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

Cost of real estate sales

In determining the costs of land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and houses and residential condominium units on the basis of the saleable area.

Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the house or residential condominium unit and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

Finance cost

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

4.2 Balances of contracts with customers

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the expected losses that may be incurred. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to customer).

Contract liabilities

A contract liability is the excess of the billings to date over the cumulative revenue earned and the Group have the obligation to transfer goods and services to a customer. Contract liabilities are recognised as revenue when the Group fulfil their performance obligations under the contracts.

4.3 Cash and cash equivalents

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

4.4 Inventories

Finished goods and works in process are valued at the lower of cost (first-in, first-out method) and net realisable value. This cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

4.5 Project development cost

Real estate development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs.

The Group recognises losses on diminution in value of projects (if any) in profit or loss.

4.6 Investments in subsidiaries and associate

Investments in associate are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition are as follows:

- Land - Stated at cost less allowance for loss on impairment (if any). Cost includes land and cost of land development.
- Condominium unit - Stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation is included in determining income.

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

4.8 Property, plant and equipment and depreciation

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

Depreciation of plant and equipment (except for some of equipment, calculated by using production unit method) is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvements	5 - 10 years
Building, constructions and improvement	5 - 30 years
Tools, machinery and equipment	2 - 10 years
Office equipment, furniture and fixtures	4 - 10 years
Motor vehicles	5 - 15 years

Depreciation is included in determining income.

No depreciation is provided on land and constructions in progress.

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

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or development of projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings (if any). To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

4.10 Leases

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

The Group as a lessee

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

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

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

Land and land improvement	5 - 30	years
Buildings and building improvement	2 - 8	years
Machinery and equipment	4 - 5	years
Furniture, fixtures and office equipment	3 - 5	years
Motor vehicles	5 - 10	years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.11 Related party transactions

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

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

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

4.13 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan. In addition, a subsidiary provides other long-term benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

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

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

4.15 Provisions

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

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade accounts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

4.18 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Construction contracts

The Group recognises revenue from construction contracts over time. To the satisfaction of the performance obligation, the management determines the stage of completion by using an input method based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion of the construction. The significant judgements are required in determining the extent of the contract costs incurred for work performed to the end of period, the estimated total contract revenue and construction cost, the recoverability of the contract costs to complete as well as assessing potential deduction to revenue due to delay in delivery or contractual penalties. In making these judgements, the Group evaluates based on past experience, historical information and information from the project engineers or relying on the work of specialists (if any).

Estimated construction project costs

The Group estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion of service, including forecasts of any changes. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Project development costs estimation

In calculating costs of land and houses and residential condominium units sold, the Group has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utilities costs, borrowing costs and other related costs. The management estimates these costs based on their experience in the business and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade accounts receivable and contract assets

In determining an allowance for expected credit losses of trade accounts receivable and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in value of real estate development costs

The Group treats real estate development costs as impaired when a significant decline in the fair value is noted. The management determines the devaluation based on net realisable value. The determination of what is "significant" and the amount of devaluation requires the management to exercise judgement.

Provision for maintenance of housing and condominium units, and public utilities

In recording provision for maintenance of housing and condominium units and public utilities, the management estimates the expenses expected to be incurred based on past experience of providing maintenance, and/or currently available information relating to maintenance expenses.

Joint arrangements

In determining the type of joint arrangement in which the Group is involved, the management applies judgement when assessing whether a joint arrangement is a joint operation or a joint venture by considering rights and obligations of the Group arising from the arrangement. The management assesses the rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefits plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Provision for losses on construction projects

The management applies judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

Consolidation of subsidiaries that the Company holds less than half of shares

The management of the Company determined that the Company has control over Utilities Business Alliance Public Company Limited, even though the Company holds 43 percent of shares and voting rights that is less than half of shares and voting rights. This is because the Company is a major shareholder and has the ability to direct the significant activities, while other shareholders consisted of former business partner and minor shareholders. As a result, UBA is deemed to be a subsidiary of the Company and has to be included in the consolidated financial statements from the date on which the Company assumed control.

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

Business transactions

Revenues from construction,

sales and service

Cost of construction, sales and service

Rental income

Management income

Interest income

Interest expenses

Pricing and lending policy

Mutually agreed price with comparison to market price

Mutually agreed price with comparison to market price

Contract price

Contract price

Interest rates at 5.00 and MLR percent per annum
(2021: 5.00 and MLR percent per annum)

Interest rates at 4.25 and MLR percent per annum
(2021: 4.00 percent per annum)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021

Transactions with subsidiaries

(eliminated from the consolidated financial statements)

Revenues from construction, sales and service	-	-	208	147
Cost of construction, sales and service	-	-	254	63
Rental income	-	-	42	25
Interest income	-	-	10	11

Transactions with related parties

Revenues from construction, sales and service	375	270	206	270
Cost of construction, sales and service	2	9	2	9
Management income	19	13	19	13
Rental income	3	-	3	-
Interest income	4	1	4	-

As at 31 December 2022 and 2021, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade and other receivables - related parties</u>				
Subsidiaries	-	-	822,357	678,308
Joint arrangements	63,074	9,033	33,371	3,750
Related companies (related by common shareholders)	154,627	157,650	154,627	157,650
Related companies (related by common directors)	371	357	371	357
Related party (director of the Group)	2	20	-	-
Total	218,074	167,060	1,010,726	840,065
Less: Allowance for expected credit losses	(152,176)	(154,934)	(212,701)	(205,855)
Total trade receivables - related parties, net	65,898	12,126	798,025	634,210
<u>Contract assets - related parties</u>				
Joint arrangements	210,202	141,911	170,672	141,911
Less: Allowance for expected credit losses	(2,481)	(2,481)	(2,481)	(2,481)
Total contract assets - related parties, net	207,721	139,430	168,191	139,430
<u>Short-term loans and advances to related parties</u>				
Subsidiaries	-	-	279,622	261,521
Joint arrangements	1,410	-	1,410	-
Less: Allowance for expected credit losses	-	-	(279,622)	(261,521)
Total short-term loans and advances to related parties, net	1,410	-	1,410	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Long-term loans to related parties</u>				
Subsidiaries	-	-	199,420	237,358
Joint arrangements	111,800	-	111,800	-
Total	111,800	-	311,220	237,358
Less: Allowance for expected credit losses	-	-	(1,000)	(2,231)
Total long-term loans to related parties, net	111,800	-	310,220	235,127
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	134,458	61,000
Joint arrangements	5,359	8,630	32,728	24,989
Related companies (related by common shareholders)	1,092	1,852	1,092	1,852
Related companies (related by common directors)	125	2,596	100	100
Related company (minority shareholders of subsidiary and common directors)	-	1,612	-	-
Related party (director of the Group)	1,439	1,236	234	307
Total trade and other payables - related parties	8,015	15,926	168,612	88,248
<u>Contract liabilities - related parties</u>				
Joint arrangements	134,214	135,643	121,609	118,225
Total contract liabilities - related parties	134,214	135,643	121,609	118,225
<u>Short-term loans from related parties</u>				
Related party (member of the same family as that of the Company's director)	12,000	12,000	12,000	12,000
Related party (director of the subsidiary)	1,500	1,550	-	-
Total short-term loans from related parties	13,500	13,550	12,000	12,000
<u>Retention payable - related parties</u>				
Subsidiary	-	-	16,675	-
Related company (related by common directors)	1,156	1,148	-	-
Total retention payable - related parties	1,156	1,148	16,675	-

Short-term loans and advances to related parties

As at 31 December 2022 and 2021, the balance of short-term loans and advances between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loans and advances	Related by	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
NT Joint Venture	Joint arrangement	-	1,410	-	1,410
Total		-	1,410	-	1,410

(Unit: Thousand Baht)

		Separate financial statements				
Short-term loans and advances	Related by	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Unrealised gain on exchange	Balance as at 31 December 2022
Myanmar NWR Company Limited	Subsidiary company	115,746	9,340	-	3,743	128,829
Nawarat (Cambodia) Company Limited	Subsidiary company	145,775	-	-	5,018	150,793
NT Joint Venture	Joint arrangement	-	1,410	-	-	1,410
Total		261,521	10,750	-	8,761	281,032
Less: Allowance for expected credit losses		(261,521)				(279,622)
Net		-				1,410

The loan to Myanmar NWR Company Limited carries interest at the rate of 5 percent per annum. The loan is unsecured and repayable on demand.

Set out below is the movement in the allowance for expected credit losses of short-term loans and advances.

(Unit: Thousand Baht)

		Separate financial statements	
		2022	2021
Beginning balance		261,521	229,956
Increase in allowance for expected credit losses		9,340	5,474
Foreign exchange difference		8,761	26,091
Ending balance		279,622	261,521

The significant increase in the allowance for expected credit losses of short-term loans and advances during the year, it was the result from Myanmar NWR Company Limited and Nawarat (Cambodia) Company Limited.

Long-term loans to related parties

As at 31 December 2022 and 2021, the balance of long-term loans between the Company and related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loans	Related by	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
TN Joint Venture	Joint arrangement	-	111,800	-	111,800
Total		-	111,800	-	111,800

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loans	Related by	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Tastemaker Company Limited	Subsidiary company	8,699	-	(2,145)	6,554
Advance Prefab Company Limited	Subsidiary company	212,659	-	(19,793)	192,866
Mana Development Company Limited	Subsidiary company	16,000	-	(16,000)	-
TN Joint Venture	Joint arrangement	-	111,800	-	111,800
Total		237,358	111,800	(37,938)	311,220
Less: Allowance for expected credit losses		(2,231)			(1,000)
Less: Current portion		(37,168)			(134,299)
Net		197,959			175,921

Long-term loan to Tastemaker Company Limited

The balance of loan to Tastemaker Company Limited comprised the outstanding loan principal amounting to Baht 7 million (2021: Baht 9 million). The loan principal is to be repaid within March 2030. The loan carries interest at the rate of MLR percent per annum and is unsecured.

Long-term loan to Advance Prefab Company Limited

The balance of loan to Advance Prefab Company Limited comprised the outstanding loan principal amounting to Baht 176 million (2021: Baht 188 million) and interest receivable amounting to Baht 17 million (2021: Baht 25 million). The loan principal is to be repaid within 30 April 2031. The loan carries interest at the rate of MLR percent per annum and is unsecured. The outstanding interest receivable is to be repaid within 2025.

Long-term loan to Mana Development Company Limited

Loan to Mana Development Company Limited carried interest at the rate of MLR percent per annum and unsecured. Interest is repayable on a monthly basis from August 2021 and the loan principal is repayable in 14 monthly installments, with the first installment due in August 2021. Such company already repaid all outstanding for the loan and interest in February 2022.

Long-term loan to TN Joint Venture

Loan to TN Joint Venture carried interest at the rate of MLR percent per annum and unsecured. Interest is repayable on a monthly basis from March 2022 and the loan principal is to be repaid within 31 December 2023.

Short-term loans from related parties

As at 31 December 2022 and 2021, the balance of short-term loans from related parties between the Group and those related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loans	Related by	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Related party	Members of the same family as that of the Company's director	12,000	-	-	12,000
Related party	Director of the subsidiary	1,550	-	(50)	1,500
Related party	Director of joint arrangement	-	73	(73)	-
Total		13,550	73	(123)	13,500

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans	Related by	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Related party	Members of the same family as that of the Company's director	12,000	-	-	12,000
Total		12,000	-	-	12,000

Short-term loan from members of the same family as that of the Company's director is in the form of the promissory note with carries interest at the rate of 4.25 percent per annum and to be repaid within September 2023.

Short-term loan from director of subsidiary is in the form of an interest-free promissory note and due at call.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	47	46	34	33
Post-employment benefits	2	2	1	1
Total	49	48	35	34

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 37.2 a) and b) to the consolidated financial statements.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	33,237	35,764	29,009	28,671
Savings and current deposits				
at banks	1,678,947	1,367,805	1,210,980	1,264,300
Fixed deposits at banks with an				
original maturity of 3 months or less	26,300	21,479	23,321	20,618
Total cash and cash equivalents	1,738,484	1,425,048	1,263,310	1,313,589

As at 31 December 2022, saving accounts and fixed deposits carried interests between 0.10 - 0.40 percent per annum (2021: between 0.10 - 0.75 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	816,147	782,120	737,217	634,562
Past due				
Up to 3 months	412,655	347,129	297,873	190,574
3 - 6 months	123,226	62,108	101,345	46,461
6 - 12 months	15,187	18,883	9,083	16,655
Over 12 months	153,958	148,756	151,295	148,179
Total	1,521,173	1,358,996	1,296,813	1,036,431
Less: Allowance for expected credit losses	(170,105)	(158,852)	(169,850)	(158,815)
Net	1,351,068	1,200,144	1,126,963	877,616
<u>Trade accounts receivable - unrelated parties, long past due and during legal action</u>				
Aged on the basis of due dates				
Past due over 12 months	103,378	754,175	103,378	754,175
Less: Allowance for expected credit losses	(103,378)	(754,175)	(103,378)	(754,175)
Net	-	-	-	-
Total trade accounts receivable - unrelated parties, net	1,351,068	1,200,144	1,126,963	877,616
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	13,502	6,464	23,575	17,908
Past due				
Up to 3 months	22,459	2,096	60,167	54,002
3 - 6 months	23,513	210	73,711	22,807
6 - 12 months	861	674	154,801	95,634
Over 12 months	155,206	157,596	692,936	648,160
Total	215,541	167,040	1,005,190	838,511
Less: Allowance for expected credit losses	(152,176)	(154,934)	(212,701)	(205,855)
Total trade accounts receivable - related parties, net	63,365	12,106	792,489	632,656
<u>Other receivables</u>				
Accrued income - unrelated parties	42,426	31,979	35,723	22,301
Accrued income - related parties	-	-	-	525
Accrued interest - related parties	2,533	20	5,536	1,029
Others	1,301	201	1,366	323
Total other receivables	46,260	32,200	42,625	24,178
Total trade and other receivables, net	1,460,693	1,244,450	1,926,077	1,534,450

The balance of trade receivables as at 31 December 2021 included trade receivables of the Company amounting to Baht 19 million (2022: None) which have been sold at a discount to financial institutions, with recourse.

The Company has transferred the rights of claim over collections for work done under certain construction agreements to financial institutions to secure the credit facilities of the Company granted by the financial institutions.

The normal credit term is 30 to 90 days.

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Beginning balance	1,067,961	1,049,354	1,118,845	1,078,594
Increase in provision for expected credit losses	9,133	18,607	18,519	40,251
Write - off	(651,435)	-	(651,435)	-
Ending balance	425,659	1,067,961	485,929	1,118,845

The significant increase in allowance for expected credit losses was mainly due to increasing in default rate of trade accounts receivable by rolling credit rate.

During the year, the Company write-off trade receivables amounting to Baht 651 million as the judgment of the Supreme Court. However, the Company had fully set up the provision for expected credit losses of such receivables.

9. Contract assets/Contract liabilities

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Contract assets				
Unbilled receivables - unrelated parties	7,413,848	6,189,205	7,409,522	6,077,538
Unbilled receivables - related parties	200,770	141,911	170,672	141,911
Accrued income - unrelated parties	92,260	44,836	-	-
Retention receivables - unrelated parties	851,197	715,512	686,300	584,821
Retention receivables - related parties	9,432	-	-	-
Total	8,567,507	7,091,464	8,266,494	6,804,270
Less: Allowance for expected credit losses	(2,481)	(2,481)	(2,481)	(2,481)
Total contract assets - net	8,565,026	7,088,983	8,264,013	6,801,789

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Contract liabilities				
Advances received - construction, unrelated parties	4,892,364	3,912,657	4,880,346	3,888,257
Advances received - construction, related parties	87,902	127,161	75,297	109,743
Advances received from customers, unrelated parties	29,704	3,909	29,704	597
Advances received from customers, related parties	46,312	8,482	46,312	8,482
Total contract liabilities	5,056,282	4,052,209	5,031,659	4,007,079

As at 31 December 2022, the balance of unbilled receivables of Baht 7,611 million (2021: Baht 6,325 million) (Separate financial statements: Baht 7,576 million, 2021: Baht 6,213 million) is expected to be billed within one year and Baht 4 million (2021: Baht 6 million) (Separate financial statements: Baht 4 million, 2021: Baht 6 million) is expected to be billed after one year.

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net		Inventories - net	
			realisable value			
	2022	2021	2022	2021	2022	2021
Finished goods	176,400	179,824	(14,339)	(7,717)	162,061	172,107
Works in process	459,865	239,549	-	-	459,865	239,549
Raw materials and supplies	981,059	1,126,466	(13)	(647)	981,046	1,125,819
Total	1,617,324	1,545,839	(14,352)	(8,364)	1,602,972	1,537,475

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net		Inventories - net	
	2022	2021	realisable value		2022	2021
			2022	2021		
Finished goods	135,094	135,280	(7,142)	(4,409)	127,952	130,871
Works in process	451,004	223,841	-	-	451,004	223,841
Raw materials and supplies	768,283	972,214	(13)	(647)	768,270	971,567
Total	1,354,381	1,331,335	(7,155)	(5,056)	1,347,226	1,326,279

During the current year, the Group reduced cost of inventories by Baht 7 million (2021: Baht 3 million) (Separate financial statements: Baht 3 million 2021: Baht 3 million), to reflect the net realisable value. This was included in cost of sales. In addition, there was reversed the write-down of cost of inventories by Baht 1 million (2021: Baht 9 million) (Separate financial statements: Baht 1 million 2021: Baht 4 million), and reduced the amount of inventories recognised as expenses during the year.

11. Project development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Land and construction under development	370,217	739,286	-	-
Developed land and construction	689,276	331,995	16,625	16,625
Total	1,059,493	1,071,281	16,625	16,625
Less: Allowance for loss on diminution in value of project	(2,140)	(2,140)	(2,140)	(2,140)
Total project development cost - net	1,057,353	1,069,141	14,485	14,485

As at 31 December 2022, the subsidiary had an outstanding balance of project development cost amounting to Baht 181 million (2021: None) which has been financed with loans from financial institutions.

During the current year, the subsidiary capitalised interest of approximately Baht 4.74 million (2021: Baht 0.25 million) (Separate financial statements: None, 2021: None), as part of project development cost. The capitalisation rate on project development cost is 4.50 - 5.00 percent (2021: 4.00 percent).

The subsidiary has mortgaged land and construction thereon of their development projects, as at 31 December 2022 totaling Baht 454 million (2021: Baht 576 million) as collateral for the loans of the subsidiary obtained from a financial institution.

12. Other current financial assets

As at 31 December 2022 and 2021, details of other current financial assets are as below.

(Unit: Thousand Baht)		
Consolidated/Separate		
financial statements		
	2022	2021
Debt instruments at amortised cost		
Fixed deposit at banks	152	151
Financial assets at FVTPL		
Investment in debt instruments (unit trust in open-end mutual funds)	6,390	6,360
Total other current financial assets	6,542	6,511

13. Other current assets

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Withholding income tax	288,257	333,170	267,009	315,502
Advance payment	760,282	684,287	768,773	698,158
Advance payment for goods	200,960	189,762	226,573	209,721
Prepaid expenses	572,119	102,530	565,812	96,718
Value added tax refundable	89,393	95,559	84,125	84,722
Others	139,111	71,485	128,405	64,310
Total other current assets	2,050,122	1,476,793	2,040,697	1,469,131

14. Restricted bank deposits

The outstanding balances represent saving and fixed deposits accounts of the Group which have been pledged with banks to secure credit facilities and letter of guarantee facilities for use in respect of construction and bidding of projects.

15. Other non-current financial assets

As at 31 December 2022 and 2021, details of other non-current financial assets are as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Financial assets at FVTPL				
<i>Non-listed equity instruments</i>				
Mission Success 2005 Company Limited	10,000	10,000	10,000	10,000
Fair value adjustments financial assets	747	747	747	747
	10,747	10,747	10,747	10,747
SG Star Properties Limited	35,762	35,762	35,762	35,762
Fair value adjustments financial assets	(35,762)	(35,762)	(35,762)	(35,762)
	-	-	-	-
Oriental Residence Bangkok Company Limited	10,000	10,000	10,000	10,000
Fair value adjustments financial assets	(10,000)	(10,000)	(10,000)	(10,000)
	-	-	-	-
Total other non-current financial assets - net	10,747	10,747	10,747	10,747

16. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Long-term loans	311,561	206,962	509,981	442,089
Less: Current portion due within one year	(111,800)	-	(134,299)	(37,168)
Long-term loans - net of current portion	199,761	206,962	375,682	404,921

As at 31 December 2022 and 2021, details of long-term loans are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Long-term loans to related parties	111,800	-	311,220	237,358
Less: Allowance for impairment	-	-	(1,000)	(2,231)
Net (Note 6)	111,800	-	310,220	235,127
Long-term loans to other joint operation	12,065	11,115	-	-
Less: Allowance for impairment	(12,065)	(11,115)	-	-
Net	-	-	-	-
Long-term loan to unrelated parties	298,131	298,131	298,131	298,131
Less: Allowance for impairment	(98,370)	(91,169)	(98,370)	(91,169)
Total	199,761	206,962	199,761	206,962
Total long-term loans, net	311,561	206,962	509,981	442,089

The outstanding balance of long-term loan to other joint operation represented a loan provided to the other joint operation by a subsidiary, carrying interest at a rate of 6 percent per annum and unsecured. The loan principal is repayable every three years in 8 installments, with the first installment due in 2022, and interest is payable annually from 2019. However, the subsidiary already recognises an allowance for impairment of such loan.

The above long-term loans to unrelated parties represented loans to two unrelated companies as followings:

- a) Loan to an unrelated party amounting to Baht 16 million, which the interest is charged at the rate of 7.12 percent per annum. The loan is unsecured and repayable within May 2026.
- b) Loan to another unrelated party amounting to Baht 282 million, which is the loan under the debt settlement in 2019. The Company negotiated a debt settlement with an unrelated trade account receivable that had an outstanding debt of Baht 299 million. This debtor agreed to settle an outstanding construction debt of Baht 282 million in installments. Therefore, the Company classified the outstanding debt of Baht 282 million as a long-term loan. In addition, the Company recognises an allowance for impairment of such loan amounting to Baht 98 million (2021: Baht 91 million). The Company's management believes that this allowance for impairment is adequate in the current circumstances and that loan will be recoverable in the future. At the present, the Company and the debtor are currently preparing a long-term loan agreement.

17. Investments in subsidiaries

17.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		Dividend received during the year	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
			(%)	(%)								
Utility Business Alliance												
Public Company Limited	Baht 300 million	Baht 215 million	43	60	133,266	133,266	-	-	133,266	133,266	19,350	110,400
Mana Development Company												
Limited	Baht 1,100 million	Baht 1,100 million	100	100	1,099,940	1,099,940	-	-	1,099,940	1,099,940	-	-
Advance Prefab Company												
Limited	Baht 400 million	Baht 400 million	100	100	400,000	400,000	-	-	400,000	400,000	-	-
Tastemaker Company Limited	Baht 79 million	Baht 79 million	99	99	79,950	79,950	-	-	79,950	79,950	-	-
NWR (Cambodia) Company												
Limited	USD 505	USD 505	100	100	17	17	(17)	(17)	-	-	-	-
Nawarat (Cambodia)												
Company Limited	USD 5,000	USD 5,000	100	100	171	171	-	-	171	171	-	-
Myanmar NWR Company												
Limited	Kyats 0.5 million	Kyats 0.5 million	100	100	3,013	3,013	(3,013)	(3,013)	-	-	-	-
Total					1,716,357	1,716,357	(3,030)	(3,030)	1,713,327	1,713,327	19,350	110,400

Investment in Utility Business Alliance Public Company Limited

On 11 March 2021, the Annual General Meeting of Utility Business Alliance Company Limited's shareholders approved the payment of a dividend of Baht 2.25 per share, a total of Baht 9.0 million, of which Baht 5.4 million and Baht 3.6 million is payable to the Company and non-controlling interests, respectively.

On 8 November 2021, the Board of Directors Meeting No.11/2021 of Utility Business Alliance Company Limited approved the payment of an interim dividend of Baht 43.75 per share, a total of Baht 175.0 million, of which Baht 105.0 million and Baht 70.0 million is payable to the Company and non-controlling interests, respectively.

On 25 November 2021, the Extraordinary General Meeting No. 2/2021 of Utility Business Alliance Company Limited's shareholders approved an increase in its registered share capital from Baht 40.0 million (4,000,000 ordinary shares of Baht 10 each) to Baht 215.0 million (21,500,000 ordinary shares of Baht 10 each) through the issuance of 17,500,000 ordinary shares with a par value of Baht 10 each to the subsidiary's existing shareholders. The Company and non-controlling interests invested in this capital increase of Baht 105.0 million and Baht 70.0 million, respectively. The Company still had a 60 percent shareholding in this company. The subsidiary registered the increase of the share capital with the Ministry of Commerce on 2 December 2021.

On 15 March 2022, the Annual General Meeting of Utility Business Alliance Company Limited, passed the following resolutions:

- Approved the payment of a dividend of Baht 0.25 per share, a total of Baht 5.4 million, of which Baht 3.2 million and Baht 2.2 million is payable to the Company and non-controlling interests, respectively.
- Approved the setting aside of Baht 2.7 million to the statutory reserve.
- Approved a change in status from a limited company to a public limited company and the listing of the company on the Market for Alternative Investment (MAI).
- Approved a change in the par value of the company's shares from Baht 10 each to Baht 0.50 each, and the amendment of the memorandum of association.
- Approved an increase of Baht 85 million in the company's registered share capital, from Baht 215 million to Baht 300 million, through the issuance of 170 million additional ordinary shares with a par value of Baht 0.50 each.

- Approved the allocation of the Company's newly issued ordinary shares to the initial public offering (Initial Public Offering: IPO) and set the criteria for the allocation of these newly issued shares to the general public, patrons with pre-emptive rights, and directors and employees of the company

On 27 October 2022, the Board of Directors Meeting No.4/2022 of Utility Business Alliance Company Limited approved the payment of a dividend of Baht 0.06 per share, a total of Baht 26.9 million, of which Baht 16.1 million and Baht 10.8 million is payable to the Company and non-controlling interests, respectively.

On 7 December 2022, the Market for Alternative Investment (MAI) has accepted the common shares of Utility Business Alliance Public Company Limited ("UBA") as listed securities and started trading. As a result, the Company's shareholding in UBA decreased from 60 percent to 43 percent without a change in the Company's control over UBA caused the investment in UBA is still classified as an investment in subsidiary. The Company recorded impact from the changes in ownership interests in a subsidiary in shareholders' equity.

18. Investments in associate

18.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage	Consolidated financial statements					
				Carrying amounts based on equity method		Share of profit from investments		Dividend received during the year	
				2022	2021	2022	2021	2022	2021
C.I.N. Estate Company Limited	Property development	Thailand	40 (%)	160,471	160,471	223,919	207,961	-	-
Total				160,471	160,471	223,919	207,961	-	-

Investment in C.I.N. Estate Company Limited hold by Mana Development Company Limited, a subsidiary. The Company has significant influence over this company with the proportion of investment. Therefore, this investment presented as an investment in an associate in the consolidated financial statements.

18.2 Summarised financial information about associate

Summarised information about financial position as at 31 December 2022 and 2021.

	(Unit: Million Baht)	
	C.I.N. Estate	
	Company Limited	
	2022	2021
Cash and cash equivalents	49	121
Other current assets	43	16
Project development cost	745	803
Investment properties	27	26
Other non-current assets	10	12
Other current liabilities	(110)	(163)
Long-term loans	(184)	(282)
Other non-current liabilities	(21)	(14)
Net assets	559	519
Shareholding percentage	40%	40%
Share of net assets	224	208
Elimination entries	-	-
Carrying amounts of associate based on equity method	224	208

Summarised information about comprehensive income for the years ended 31 December 2022 and 2021.

	(Unit: Million Baht)	
	C.I.N. Estate	
	Company Limited	
	2022	2021
Total revenues	303	234
Profit	40	17
Other comprehensive income	-	-
Total comprehensive income	40	17

19. Investment properties

The net book value of investment properties as at 31 December 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land awaiting sale	Condominium unit for rent	Total
<u>Cost</u>			
As at 1 January 2021	180,945	2,500	183,445
As at 31 December 2021	180,945	2,500	183,445
As at 31 December 2022	180,945	2,500	183,445
<u>Accumulated depreciation</u>			
As at 1 January 2021	-	625	625
Depreciation for the year	-	126	126
As at 31 December 2021	-	751	751
Depreciation for the year	-	125	125
As at 31 December 2022	-	876	876
<u>Net book value</u>			
As at 31 December 2021	180,945	1,749	182,694
As at 31 December 2022	180,945	1,624	182,569

	(Unit: Thousand Baht)
	Separate
	financial statements
	Land awaiting sale
<u>Cost</u>	
As at 1 January 2021	178,881
As at 31 December 2021	178,881
As at 31 December 2022	178,881
<u>Net book value</u>	
As at 31 December 2021	178,881
As at 31 December 2022	178,881

The fair value of the investment properties as at 31 December 2022 and 2021 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Land awaiting sale	352,694	352,694	350,630	350,630
Condominium unit for rent	2,500	2,500	-	-
Total investment properties	355,194	355,194	350,630	350,630

The fair values of land awaiting sale and condominium unit for rent have been determined based on valuations performed by an accredited independent valuer, using market approach.

The Company has mortgaged investment properties, with the net book value as at 31 December 2022 totaling Baht 177 million (2021: Baht 177 million), with a financial institution as collateral for the Company's credit facilities obtained from the financial institution.

20. Property, plant and equipment

	Consolidated financial statements						(Unit: Thousand Baht)	
	Cost							
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles		Constructions in progress
As at 1 January 2021	228,602	35,449	854,677	3,791,047	316,108	835,964	36,867	6,098,714
Additions	-	-	2,416	79,330	56,055	6,567	33,075	177,443
Disposals/write-offs	-	-	(8,352)	(230,179)	(10,399)	(59,752)	-	(308,682)
Transferred in (out)	-	-	2,982	31,244	3,390	4,065	(41,681)	-
Transferred from right-of-use assets	-	-	-	30,100	1,160	22,574	-	53,834
As at 31 December 2021	228,602	35,449	851,723	3,701,542	366,314	809,418	28,261	6,021,309
Additions	-	-	318	264,028	20,247	5,071	208,597	498,261
Disposals/write-offs	-	-	-	(396,246)	(25,495)	(20,063)	-	(441,804)
Transferred in (out)	-	14,265	2,782	22,683	706	1,871	(42,307)	-
Transferred from right-of-use assets	-	-	-	68,718	919	12,584	-	82,221
As at 31 December 2022	228,602	49,714	854,823	3,660,725	362,691	808,881	194,551	6,159,987

		Consolidated financial statements						(Unit: Thousand Baht)	
		Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<u>Accumulated depreciation</u>									
As at 1 January 2021		-	33,736	254,962	3,012,820	216,083	631,130	-	4,148,731
Depreciation for the year		-	406	44,345	218,944	39,726	46,233	-	349,654
Depreciation on disposals/write-offs		-	-	(8,352)	(225,328)	(9,959)	(59,295)	-	(302,934)
Transferred from right-of-use assets		-	-	-	10,830	1,110	8,459	-	20,399
As at 31 December 2021		-	34,142	290,955	3,017,266	246,960	626,527	-	4,215,850
Depreciation for the year		-	412	38,088	224,651	38,865	46,374	-	348,390
Depreciation on disposals/write-offs		-	-	-	(391,050)	(23,699)	(18,120)	-	(432,869)
Transferred from right-of-use assets		-	-	-	28,216	754	4,845	-	33,815
As at 31 December 2022		-	34,554	329,043	2,879,083	262,880	659,626	-	4,165,186

[illegible]

(Unit: Thousand Baht)

Separate financial statements

Cost

	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
As at 1 January 2021	166,560	35,489	271,515	3,511,969	253,122	813,145	31,410	5,083,210
Additions	-	-	1,369	65,350	55,633	6,342	29,863	158,557
Disposals/write-offs	-	-	-	(229,351)	(9,634)	(59,752)	-	(298,737)
Transferred in (out)	-	-	2,982	13,100	3,390	4,065	(23,537)	-
Transferred from right-of-use assets	-	-	-	30,100	328	19,987	-	50,415
As at 31 December 2021	166,560	35,489	275,866	3,391,168	302,839	783,787	37,736	4,993,445
Additions	-	-	-	253,004	17,138	4,980	198,326	473,448
Disposals/write-offs	-	-	-	(337,889)	(23,570)	(18,266)	-	(379,725)
Transferred in (out)	-	14,265	2,782	12,559	706	1,871	(32,183)	-
Transferred from right-of-use assets	-	-	-	68,718	-	9,357	-	78,075
As at 31 December 2022	166,560	49,754	278,648	3,387,560	297,113	781,729	203,879	5,165,243

	Separate financial statements							(Unit: Thousand Baht)
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<u>Accumulated depreciation</u>								
As at 1 January 2021	-	33,738	143,334	2,907,353	173,037	617,157	-	3,874,619
Depreciation for the year	-	406	14,017	182,785	29,646	44,536	-	271,390
Depreciation on disposals/write-offs	-	-	-	(225,043)	(8,890)	(59,244)	-	(293,177)
Transferred from right-of-use assets	-	-	-	10,830	326	7,191	-	18,347
As at 31 December 2021	-	34,144	157,351	2,875,925	194,119	609,640	-	3,871,179
Depreciation for the year	-	412	14,037	182,380	34,636	44,438	-	275,903
Depreciation on disposals/write-offs	-	-	-	(332,717)	(21,853)	(17,117)	-	(371,687)
Transferred from right-of-use assets	-	-	-	28,218	-	3,369	-	31,587
As at 31 December 2022	-	34,556	171,388	2,753,806	206,902	640,330	-	3,806,982

(Unit: Thousand Baht)

Separate financial statements

	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<u>Allowance for impairment loss</u>								
As at 1 January 2021	-	-	-	42,646	-	-	-	42,646
As at 31 December 2021	-	-	-	42,646	-	-	-	42,646
Decrease during the year	-	-	-	(15,161)	-	-	-	(15,161)
As at 31 December 2022	-	-	-	27,485	-	-	-	27,485
<u>Net book value</u>								
As at 31 December 2021	166,560	1,345	118,515	472,597	108,720	174,147	37,736	1,079,620
As at 31 December 2022	166,560	15,198	107,260	606,269	90,211	141,399	203,879	1,330,776
<u>Depreciation for the year</u>								
2021 (Baht 266 million included in cost, and the balance in administrative expenses)								271,390
2022 (Baht 256 million included in cost, and the balance in administrative expenses)								275,903

As at 31 December 2022, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,496 million (2021: Baht 2,595 million) (Separate financial statements: Baht 2,395 million, 2021: Baht 2,529 million).

The Group has mortgaged the part of land and buildings thereon, machinery and ships, with the net book value as at 31 December 2022 totaling Baht 944 million (2021: Baht 1,071 million) (Separate financial statements: Baht 340 million, 2021: Baht 421 million) with a financial institution as collateral for the Group's credit facilities and letter of guarantee facilities obtained from the financial institution.

21. Bank overdrafts and short-term loans from financial institutions

		(Unit: Thousand Baht)			
	Interest rate (% p.a.)	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Bank overdrafts	MOR	-	1,669	-	-
Trust receipts	7.90, MLR - 1	273,700	-	273,700	-
Short-term loans	2.00 - 5.25, MLR - 0.50				
from financial	MLR - 0.75, MLR - 1,				
institutions	MLR - 1.25, MMR	4,400,031	4,603,028	4,255,732	4,483,026
Total bank overdrafts and short-term loans from financial institutions		4,673,731	4,604,697	4,529,432	4,483,026

As at 31 December 2021, the Company's short-term loans from financial institutions included short-term loans from sale of bill receivable obtained from trade receivables at a discount, amounting to Baht 19 million (2022: None). The interest is charged at the rate of 1.45 percent per annum (2022: None). The financial institutions have the right to pursue the Company for payments in the event that it is unable to make full collection of bill receivable.

The bank overdrafts, trust receipts and short-term loan facilities of the Group are secured by the pledge of fixed deposits of the Company and its subsidiaries, the mortgage of the part of land with structures thereon, ships of the Company and investment properties and future structures of the Company's development project, transfer of rights of claim over collections for work done under construction agreements of the Company and its subsidiaries and are guaranteed by the Company and the directors of the Company and its subsidiaries.

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables - related parties	1,531	5,929	124,331	32,483
Trade payables - unrelated parties	2,934,211	2,546,159	2,811,549	2,354,727
Advance received from related parties	100	100	100	11,582
Advance received from unrelated party	128	77	128	-
Other payables - related parties	5,177	8,939	14,507	14,868
Other payables - unrelated parties	127,847	51,471	112,475	37,672
Accrued expenses - related parties	1,207	958	29,674	29,315
Accrued expenses - unrelated parties	652,740	349,634	593,529	275,257
Total trade and other payables	3,722,941	2,963,267	3,686,293	2,755,904

23. Leases

The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 30 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
As at 1 January 2021	203,503	51,184	91,082	3,285	125,489	474,543
Additions	15,381	13,717	8,000	3,584	34,124	74,806
Adjusted from the change of contracts	-	(3,008)	-	1,050	-	(1,958)
Transfer to property, plant and equipment	-	-	(19,270)	(50)	(14,115)	(33,435)
Depreciation for the year	(26,607)	(15,383)	(9,606)	(1,980)	(14,106)	(67,682)
As at 31 December 2021	192,277	46,510	70,206	5,889	131,392	446,274
Additions	13,362	2,469	10,467	-	18,760	45,058
Transfer to property, plant and equipment	-	-	(40,500)	(165)	(7,740)	(48,405)
Depreciation for the year	(19,136)	(15,024)	(5,501)	(2,107)	(15,699)	(57,467)
As at 31 December 2022	186,503	33,955	34,672	3,617	126,713	385,460

(Unit: Thousand Baht)

	Separate financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
As at 1 January 2021	22,872	27,499	91,082	62	119,045	260,560
Additions	15,382	13,716	8,000	2,400	34,124	73,622
Transfer to property, plant and equipment	-	-	(19,270)	(3)	(12,795)	(32,068)
Depreciation for the year	(18,145)	(10,938)	(9,606)	(509)	(13,391)	(52,589)
As at 31 December 2021	20,109	30,277	70,206	1,950	126,983	249,525
Additions	13,362	2,469	10,467	-	13,752	40,050
Transfer to property, plant and equipment	-	-	(40,500)	-	(5,988)	(46,488)
Depreciation for the year	(13,165)	(11,910)	(5,501)	(600)	(14,984)	(46,160)
As at 31 December 2022	20,306	20,836	34,672	1,350	119,763	196,927

b) Lease liabilities

Details of lease liabilities as at 31 December 2022 and 2021 are as followings:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease payments	385,639	437,367	127,411	170,274
Less: Deferred interest expenses	(135,480)	(145,799)	(7,724)	(11,014)
Total	250,159	291,568	119,687	159,260
Less: Portion due within one year	(66,785)	(77,403)	(60,289)	(71,995)
Lease liabilities - net of current portion	183,374	214,165	59,398	87,265

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Balance at beginning of year	291,568	317,270	159,260	176,464
Additions	44,280	74,806	40,050	73,622
Adjust from the change of contracts	-	(1,958)	-	-
Accretion of interest	13,721	14,497	6,208	7,258
Repayments	(99,410)	(113,047)	(85,831)	(98,084)
Balance at end of year	250,159	291,568	119,687	159,260

A maturity analysis of lease payments is disclosed in Note 38.1 to the consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

Expenses relating to leases that are recognised in profit or loss for the years ended 31 December 2022 and 2021 are as the followings:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	57,467	67,682	46,160	52,589
Interest expense on lease liabilities	13,721	14,496	6,208	7,259
Expense relating to short-term leases	35,049	43,502	35,049	32,159
Expense relating to leases of low-value assets	2,582	10	-	-
Expense relating to variable lease payments that do not depend on an index or a rate	268,297	297,634	265,862	297,634

The Group has lease contracts for machinery, equipment and motor vehicles that contains variable payments based on actual hours. The lease term is 1 - 3 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 356 million (2021: Baht 429 million) (Separate financial statements: Baht 340 million, 2021: Baht 402 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

24. Long-term loans from banks

			(Unit: Thousand Baht)			
Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2022	2021	2022	2021
(1)	MLR-0.50	Monthly installments from February 2018 to January 2024	137,500	167,500	-	-
(2)	MLR-0.50	Monthly installments from March 2019 to February 2024	10,504	15,544	-	-
(3)	MLR-0.25	Monthly installments from January 2024 to April 2031	12,400	12,400	-	-
(4)	MLR-1.50	Repayable in installments for every 6 months from January 2026 to August 2028	425,000	425,000	425,000	425,000
(5)	MLR-1.50	Repayable in installments for every 6 months from February 2026 to August 2031	770,000	800,000	770,000	800,000
(6)	MLR-0.75	Paid all amount within 48 months since the first draw down (June 2020)	41,600	31,580	-	-
(7)	2.00	Paid all amount within 24 months since the first draw down (May 2020)	-	7,325	-	-
(8)	2.00-7.00	Paid all amount within 60 months since the first draw down (July 2021)	2,880	2,880	-	-
(9)	3.00, MLR-1.25	Paid all amount within 60 months since the first draw down (December 2021)	-	10,000	-	-
(10)	MLR	Paid all amount within 48 months since the first draw down (June 2022)	37,000	-	-	-
(11)	MLR-1.25	Paid all amount within 48 months since the first draw down (December 2022)	107,203	-	-	-
Total			1,544,087	1,472,229	1,195,000	1,225,000
Less: Current portion			(183,963)	(102,509)	-	(30,000)
Long-term loans, net of current portion			1,360,124	1,369,720	1,195,000	1,195,000

The loan agreements contain covenants as stipulated in the agreement and restrictions imposed by the lender, relating to such matters as maintenance of a shareholding percentage in the subsidiaries by the Company. The loans are secured by the transfer of rights of claim over collections for work done under construction agreements of the subsidiary, the mortgage of land with structures thereon and/or future structures, machinery and motor vehicles of the Company and project development cost and future structures of the development project of its subsidiary and guaranteed by the Company and the directors of the Company and its subsidiaries.

As at 31 December 2022, the Group have an undrawn amount of long-term loan under the agreements amounting to Baht 906 million (2021: Baht 43 million).

On 24 August 2021, the Company entered into the agreement to amend the Baht 800 million loan agreement (5) by changing the schedule of the loan principal repayment. The schedule is changed from repayment principal in installments for every 6 months from August 2021 to July 2026, to repayment principal every 6 months in totally 13 installments, beginning in August 2022. The loan is to be repaid within August 2028.

On 15 October 2021, the Company entered into the agreement to amend the Baht 500 million loan agreement (4) by changing the schedule of the loan principal repayment. The schedule is changed from repayment principal in installments for every 6 months from January 2020 to July 2023, to repayment principal every 6 months, beginning in January 2023. The loan is to be repaid within July 2025. In addition, the Company is granted a grace period of loan repayment from January 2022 to December 2022.

On 19 October 2021, a subsidiary entered into an amendment to the Baht 14 million loan agreement (3) granting a grace period for loan principal repayment from March 2020 to December 2023. After the grace period, loan principal is to be repaid in monthly installments, with the first installment due in January 2024 and the loan to be repaid in full within April 2031.

On 19 October 2022, the Company entered into an amendment to the Baht 500 million loan agreement (4) to change the interest rate since 1 November 2022. The Company agrees to pay interest at the rate of MLR-1.50 percent per annum. In addition, the Company is granted a grace period for loan principal repayment from January 2022 to December 2025. After the grace period, loan principal is to be repaid every 6 months, with the first installment due in January 2026 and the loan to be repaid in full within August 2028.

On 19 October 2022, the Company entered into an amendment to the Baht 800 million loan agreement (5) to change the interest rate since 1 November 2022. The Company agrees to pay interest at the rate of MLR-1.50 percent per annum. In addition, the Company is granted a grace period for loan principal repayment from February 2023 to January 2026. After the grace period, loan principal is to be repaid every 6 months, with the first installment due in February 2026 and the loan to be repaid in full within August 2031.

The “Current portion of long-term loans from banks” as presented in the statement of financial position is based on the amounts due for repayment within one year as scheduled in the agreements.

Movements in the long-term loans account during the years ended 31 December 2022 and 2021 are summarised below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2022	2021	2022	2021
Beginning balance	1,472,229	1,921,349	1,225,000	1,262,500
Additional borrowings during the year	240,028	35,817	-	-
Payment during the year	(168,170)	(484,937)	(30,000)	(37,500)
Ending balance	<u>1,544,087</u>	<u>1,472,229</u>	<u>1,195,000</u>	<u>1,225,000</u>

As at 31 December 2021, the Company is unable to maintain the net debt to equity ratio which specified in the loan agreement. However, on 28 December 2021, the Company received a waiver letter from the bank granting a waiver for such non-compliance. Therefore, the classification such liabilities to be non-current liabilities is in accordance with Thai Financial Reporting Standards.

25. Long-term loans from unrelated party

Loan	Interest rate (%)	Repayment schedule	(Unit: Thousand Baht)	
			Consolidated	
			financial statements	
			2022	2021
(1)	4.5	Quarterly installments totaling 5 installments since October 2021	-	16,000
(2)	4.5	Quarterly installments totaling 5 installments since December 2021	-	16,000
(3)	4.5	Quarterly installments totaling 4 installments since April 2023	30,000	-
Total			30,000	32,000
Less: Current portion			(22,500)	(32,000)
Long-term loans from unrelated party, net of current portion			<u>7,500</u>	<u>-</u>

The above loans are unsecured and no any several covenants prescribed in the agreements.

26. Short-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term loans from related parties				
(Note 6)	13,500	13,550	12,000	12,000
Short-term loan from other joint operation	103,603	65,453	103,603	65,453
Short-term loans from unrelated parties	153,884	81,126	153,884	81,126
Total short-term loans	270,987	160,129	269,487	158,579

As at 31 December 2022 and 2021, the short-term loans from other joint operations are as follows:

- a) NCREC Joint Venture entered into twenty-eight loan agreements with other joint operation totaling Baht 62.8 million (2021: Baht 40.1 million), which carry interest at rates of 2.5 percent per annum. The loans are unsecured and due at call. The loans are to be repaid within September 2023.
- b) TN Joint Venture obtained a loan of Baht 40.8 million (2021: Baht 25.4 million) from other joint operation in the form of eight promissory notes, which carry interest at a rate of 3.2 percent per annum and are due within May 2023.

As at 31 December 2022 and 2021, the short-term loans from unrelated parties are as follows:

- a) The Company obtained a loan of Baht 106.7 million (2021: Baht 38.8 million) from an unrelated party in the form of a promissory note. The loan carries interest at a rate of 4.25 percent per annum and due within September 2023.
- b) NCREC Joint Venture obtained loans from two unrelated parties of Baht 47.2 million (2021: Baht 42.2 million), which carry interest at a rate of 2.5 percent per annum. The loans are unsecured and due at call. The loans is to be repaid within July 2023.

27. Debentures

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2022</u>	<u>2021</u>
Debentures 1/2022	500,000	-
Less: Deferred debenture issuing costs	(7,193)	-
Total	492,807	-

On 9 November 2022, the Company issued and offered 500,000 units of debentures No. 1/2022 with a par value of Baht 1,000 each, totaling Baht 500 million. These are registered, unsubordinated, unsecured debentures with trustees, and have a term of 2 years from the issue date, maturing on 9 November 2024. The coupon rate is 6.90 percent per annum (the effective interest rate of 7.74 percent per annum), with interest payable every 3 months throughout the life of the debentures.

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions, such as limitations on the use of assets and the maintenance of a net debt to equity ratio.

28. Provision for long-term employee benefits

Provision for long-term employee benefits are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			Separate financial statements
	Defined benefit plans	Other long-term employee benefits	Total	Defined benefit plans
Provision for long-term employee benefits				
as at 1 January 2021	298,127	3,471	301,598	252,343
Included in profit or loss:				
Current service cost	18,090	596	18,686	17,803
Interest cost	4,223	51	4,274	3,481
Actuarial loss (gain) arising from				
- Financial assumptions changes	-	(142)	(142)	-
- Experience adjustments	-	142	142	-

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements
	Defined benefit plans	Other long-term employee benefits	Total	Defined benefit plans
Included in other comprehensive income:				
Actuarial gain arising from				
- Demographic assumptions changes	(698)	-	(698)	(214)
- Financial assumptions changes	(23,742)	-	(23,742)	(18,618)
- Experience adjustments	(6,646)	-	(6,646)	(7,742)
Transfer employees to its subsidiary	-	-	-	(3,568)
Benefits paid during the year	(14,723)	(617)	(15,340)	(14,382)
Provision for long-term employee benefit				
as at 31 December 2021	274,631	3,501	278,132	229,103
Included in profit or loss:				
Current service cost	19,501	577	20,078	15,259
Interest cost	4,848	68	4,916	3,895
Actuarial loss (gain) arising from				
- Financial assumptions changes	-	(178)	(178)	-
- Experience adjustments	-	291	291	-
Included in other comprehensive income:				
Actuarial gain arising from				
- Demographic assumptions changes	-	-	-	-
- Financial assumptions changes	(1,145)	-	(1,145)	-
- Experience adjustments	675	-	675	-
Benefits paid during the year	(13,177)	(537)	(13,714)	(12,512)
Provision for long-term employee benefit				
as at 31 December 2022	285,333	3,722	289,055	235,745

The Group expect to pay Baht 16 million of long-term employee benefits during the next year (2021: Baht 14 million) (Separate financial statements: Baht 12 million, 2021: Baht 10 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 6 - 18 years (2021: 6 - 19 years) (Separate financial statements: 7 years, 2021: 7 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	1.5 - 3.5	1.5 - 2.9	1.7	1.7
Future salary increase rate	2.5 - 4.0	2.5 - 4.0	2.5 - 4.0	2.5 - 4.0
Turnover rate	0.0 - 40.0	0.0 - 40.0	0.0 - 40.0	0.0 - 40.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

	As at 31 December 2022					
	Discount rate		Salary increase rate		Turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5 - 1.0%	0.5 - 1.0%	10 - 20%	10 - 20%
Consolidated financial statements	(11)	11	13	(12)	(6)	7
Separate financial statements	(8)	9	10	(9)	(4)	5

(Unit: Million Baht)

	As at 31 December 2021					
	Discount rate		Salary increase rate		Turnover rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5 - 1.0%	0.5 - 1.0%	10 - 20%	10 - 20%
Consolidated financial statements	(11)	12	12	(11)	(6)	6
Separate financial statements	(8)	9	9	(8)	(4)	4

29. Statutory reserve

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

30. Revenue from contracts with customers

30.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Type of goods or service:				
Construction service	11,970,715	9,888,736	11,281,110	9,363,980
Sale of real estate	415,593	689,199	-	-
Sales of concrete products	711,301	509,444	271,905	185,107
Total revenue from contracts with customers	<u>13,097,609</u>	<u>11,087,379</u>	<u>11,553,015</u>	<u>9,549,087</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	1,126,894	1,198,643	271,905	185,107
Revenue recognised over time	11,970,715	9,888,736	11,281,110	9,363,980
Total revenue from contracts with customers	<u>13,097,609</u>	<u>11,087,379</u>	<u>11,553,015</u>	<u>9,549,087</u>

30.2 Revenue recognised in relation to contract balances

During the year, the Group recognised revenue that was included in contract liabilities at the beginning of the year amounting to Baht 947 million (2021: Baht 776 million) (Separate financial statements: Baht 926 million, 2021: Baht 762 million).

30.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2022, revenue totaling Baht 38,052 million (2021: Baht 39,480 million) (Separate financial statements: Baht 34,809 million, 2021: Baht 35,529 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 6 years (2021: within 5 years) (Separate financial statements: within 6 years, 2021: within 5 years).

The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contracts with a duration of one year or less and where the revenue is recognised in the amount that the entity has a right to invoice.

31. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings	270,012	228,492	251,202	207,620
Interest expenses on lease liabilities	13,721	14,497	6,208	7,258
Total	283,733	242,989	257,410	214,878

32. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Raw materials and consumables used	5,319,863	4,323,095	4,826,218	3,905,126
Salaries, wages and other employee benefits	1,103,084	1,058,151	858,479	844,521
Subcontractor costs	5,149,543	4,551,100	4,911,767	4,396,071
Fuel charges	365,400	243,769	184,723	137,970
Depreciation and amortisation	405,982	417,461	322,063	323,979
Repair and maintenance	163,510	163,144	63,959	52,157
Impairment loss on financial assets	18,591	29,834	43,897	71,307
Other expenses	282,941	1,087,499	201,930	603,035
Changes in inventories of finished goods and work in process	67,651	(155,788)	36,181	(89,281)

33. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Current income tax:				
Current income tax charge	17,380	22,575	8,917	7,908
Deferred tax:				
Relating to origination and reversal of temporary differences	20,445	(16,581)	11,098	(11,093)
Income tax expenses (income) reported in profit or loss	37,825	5,994	20,015	(3,185)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax relating to actuarial gain	94	6,217	-	5,315
	94	6,217	-	5,315

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit (loss) before tax	102,846	(741,405)	20,930	(657,734)
Applicable tax rate	20%, 22%	20%, 22%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	20,161	(148,583)	4,186	(131,547)
Utilisation of previously unrecognised tax losses	(14,125)	(6,152)	(1,184)	(922)
Tax losses for the year that have not been recognised as deferred tax assets	131,872	109,754	122,659	94,172
Effects of preparing the consolidated financial statements	(1,309)	11,354	-	-
Effects of:				
Non-deductible expenses	34,262	38,415	28,584	35,181
Additional expense deductions allowed	(134,331)	(1,530)	(134,230)	(69)
Share of profit from investments in associate	(3,192)	(1,399)	-	-
Others	4,487	4,135	-	-
Total	(98,774)	39,621	(105,646)	35,112
Income tax expenses (income) reported in profit or loss	37,825	5,994	20,015	(3,185)

As at 31 December 2022 and 2021, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)				
Statements of financial position				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for diminution in value of inventories	1,431	1,011	1,431	1,011
Allowance for diminution in value of project development cost	428	428	428	428
Allowance for asset impairment	7,269	10,476	5,497	8,529
Allowance for impairment loss on financial assets	2,413	2,223	-	-
Accumulated depreciation - plant and equipment	1,710	2,641	2,012	3,050
Provision for long-term employee benefits	58,442	56,258	47,149	45,821
Provision for loss on construction projects	5,622	12,875	5,622	12,875
Lease agreement	11,489	13,298	216	301
Others	438	36	-	-
Deferred tax liabilities				
Contract assets	(9,868)	(771)	-	-
Amortisation of deferred debenture issuing costs	(1,438)	-	(1,438)	-
Total deferred tax assets - net	77,936	98,475	60,917	72,015

Deferred tax assets and liabilities in the consolidated statement of financial position were as follows:

(Unit: Thousand Baht)				
Statements of financial position				
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax assets	84,198	98,475	60,917	72,015
Deferred tax liabilities	(6,262)	-	-	-
Deferred tax assets - net	77,936	98,475	60,917	72,015

As at 31 December 2022, the Group had unused tax losses totaling Baht 1,805 million (2021: Baht 1,262 million) (Separate financial statements: Baht 1,471 million, 2021: Baht 790 million). No deferred tax assets have been recognised on these amounts as the Group believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will expire within 2027.

34. Basic earnings (deficits) per share

Basic earnings (deficits) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

35. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its main businesses and have three reportable segments as follows:

- (1) Construction contracting business
- (2) Real estate development business
- (3) Manufacture of concrete product business is a segment that involves manufacture of pre-stressed concrete piles and precast concrete products for third-party distribution.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group's financing activities, which give rise to finance costs and finance income, and income taxes are managed on the Group basis. Therefore, these income and expenses are not allocated to operating segments.

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

The following tables present revenue and profit information regarding the operating segments of the Group for the years ended 31 December 2022 and 2021.

(Unit: Million Baht)

	The consolidated financial statements for the year ended 31 December 2022				
	Construction contracting business	Real estate development business	Manufacture of concrete products business	Eliminations	Consolidated
Revenue from external customers	11,971	416	711	-	13,098
Inter-segment revenue	745	-	325	(1,070)	-
Segment operating profit (loss)	245	(77)	53		221
Unallocated income (expenses):					
Finance income					7
Finance cost					(283)
Other income					142
Share of profit from investments in associate					16
Profit before income tax expenses					103
Income tax expenses					(38)
Profit for the year					65
Profit attributable to non-controlling interests of the subsidiary					(28)
Profit for the year - attributable to equity holders of the Company					37

(Unit: Million Baht)

The consolidated financial statements					
for the year ended 31 December 2021					
	Construction contracting business	Real estate development business	Manufacture of concrete products business	Eliminations	Consolidated
Revenue from external customers	9,889	689	509	-	11,087
Inter-segment revenue	357	-	182	(539)	-
Segment operating profit (loss)	(596)	15	(50)		(631)
Unallocated income (expenses):					
Finance income					4
Finance cost					(243)
Other income					122
Share of profit from investments in associate					7
Loss before income tax expenses					(741)
Income tax expenses					(6)
Loss for the year					(747)
Profit attributable to non-controlling interests of the subsidiary					(21)
Loss for the year - attributable to equity holders of the Company					(768)

Geographic information

Revenue from external customers and non-current assets (other than financial instruments and deferred tax assets) are based on locations of the customers by the following:

	(Unit: Million Baht)	
	2022	2021
Revenue from external customers		
Thailand	13,089	11,074
Others	9	14
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	2,586	2,518
Others	2	2

Major customers

For the year 2022, the Group has revenue arising from construction contracting business derived from three major customers in amount of Baht 3,672 million (2021: three major customers in amount of Baht 4,202 million).

36. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and employees contribute to the fund monthly at the rate of 5 - 7 percent of basic salary (Separate financial statements: 5 percent of basic salary). The fund, which is managed by Krungsri Asset Management Company Limited, will be paid to their employees upon termination in accordance with the rules of the provident fund of the Group. During the year 2022, the Group contributed Baht 21 million to the fund (2021: Baht 20 million) (Separate financial statements: Baht 16 million, 2021: Baht 16 million).

37. Commitments and contingent liabilities

37.1 Capital commitments

As at 31 December 2022, the Group had the following capital commitments:

- The Company had an outstanding commitment of approximately USD 4,495 of the uncalled portion of investments in a subsidiary (2021: USD 4,495).
- The subsidiary had an outstanding commitment of approximately USD 1 million of the uncalled portion of investment in the joint arrangement (2021: USD 1 million).

- c) The subsidiary had outstanding commitments of approximately Baht 5 million (2021: The Company by Baht 51 million and its subsidiaries by Baht 11 million), relating to acquisition of tools, machineries and equipment.

37.2 Guarantees

- a) As at 31 December 2022, the Company has commitments in respect of its guarantees of bank credit facilities of three subsidiary companies amounting to Baht 2,213 million (2021: four subsidiary companies amounting to Baht 3,515 million). Generally, the guarantees are effective so long as underlying obligation has not been discharged by its subsidiaries. No fee is charged for the provision of such guarantees.
- b) As at 31 December 2022, the Company has commitments in respect of its guarantees of bank credit facilities of nine joint arrangements amounting to Baht 5,148 million (2021: seven joint arrangements amounting to Baht 3,152 million). Generally, the guarantees are effective so long as underlying obligation has not been discharged by its the joint arrangement. No fee is charged for the provision of such guarantees.
- c) As at 31 December 2022, the outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business were summarised as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Guarantee of construction contracts, bidding and debt repayment	5,339	5,193	5,157	4,997
Guarantee of advance payment bond and retention	6,353	5,624	6,249	5,363
Other guarantees	794	334	759	296
Total	12,486	11,151	12,165	10,656

38. Financial instruments

38.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, contract assets, short-term lending, long-term lending, investments, bank overdraft, short-term borrowings, trade and other payables, long-term borrowings and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, contract assets, lending, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade accounts receivable and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures. Outstanding trade receivables and contract assets are regularly monitored. However, since the majority of construction services are made to creditworthy customers such as state enterprises and government agencies and due to the large number of entities comprising the Group's customer base. The Group therefore does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for long-time and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are regularly reviewed by the Group's Board of Directors and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

The market risk comprises interest rate risk and currency risk. However, the Group has not entered into derivatives to manage its risk exposure.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its loans to related parties denominated in foreign currencies, and trading transactions and income derived from overseas that are denominated in foreign currencies. The Group has no foreign currency forward contracts to reduce the exposure since the Group expects the risk to be minimal. In addition, the Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

As at 31 December 2022 and 2021, the Company had no balances of financial assets denominated in foreign currencies.

In addition, the Company is also exposed to the effect of foreign exchange movements on its investments in foreign subsidiary companies, which currently are not hedged by any derivative financial instrument.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposit with financial institutions, short-term lending, long-term lending, bank overdrafts, short-term borrowings, long-term borrowings, debentures and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	26	-	-	1,679	33	1,738	0.10 - 0.40
Trade and other receivables	-	-	-	-	1,461	1,461	-
Contract assets	-	-	-	-	8,565	8,565	-
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	191	-	-	-	-	191	0.10 - 0.25
Other non-current financial assets	-	-	-	-	11	11	-
Long-term loans	-	16	-	112	184	312	MLR, 7.12
	217	16	-	1,791	10,261	12,285	
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans from financial institutions							
	278	-	-	4,400	-	4,674	Note 21
Trade and other payables	-	-	-	-	3,723	3,723	-
Contract liabilities	-	-	-	-	5,056	5,056	-
Lease liabilities	67	76	107	-	-	250	2.40 - 8.54
Short-term loans	269	-	-	-	2	271	2.50 - 4.25
Long-term loans from banks	-	-	-	1,544	-	1,544	Note 24
Long-term loans from unrelated party	22	8	-	-	-	30	4.50
Debentures	-	493	-	-	-	493	7.74
	632	577	107	5,944	8,781	16,041	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2021							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	21	-	-	1,368	36	1,425	0.10 - 0.75
Trade and other receivables	-	-	-	-	1,244	1,244	-
Contract assets	-	-	-	-	7,089	7,089	-
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	185	-	-	-	-	185	0.10 - 1.00
Other non-current financial assets	-	-	-	-	11	11	-
Long-term loans	-	16	-	-	191	207	7.12
	206	16	-	1,368	8,578	10,168	
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans from financial institutions							
	120	-	-	4,485	-	4,605	Note 21
Trade and other payables	-	-	-	-	2,963	2,963	-
Lease liabilities	77	106	108	-	-	291	2.40 - 8.54
Short-term loans	159	-	-	-	1	160	2.50 - 4.60
Long-term loans from banks	10	11	-	1,451	-	1,472	Note 24
Long-term loans from unrelated party	32	-	-	-	-	32	4.50
	398	117	108	5,936	2,964	9,523	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	23	-	-	1,211	29	1,263	0.10 - 0.40
Trade and other receivables	-	-	-	-	1,962	1,962	-
Contract assets	-	-	-	-	8,264	8,264	-
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	115	-	-	-	-	115	0.10 - 0.25
Other non-current financial assets	-	-	-	-	11	11	-
Long-term loans	-	16	-	310	184	510	MLR, 7.12
	138	16	-	1,521	10,457	12,132	
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans from financial institutions							
	273	-	-	4,256	-	4,529	Note 21
Trade and other payables	-	-	-	-	3,686	3,686	-
Contract liabilities	-	-	-	-	5,032	5,032	-
Lease liabilities	60	59	-	-	-	119	2.40 - 8.54
Short-term loans	269	-	-	-	-	269	2.50 - 4.25
Long-term loans from banks	-	-	-	1,195	-	1,195	Note 24
Debentures	-	493	-	-	-	493	7.74
	602	552	-	5,451	8,718	15,323	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2021							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	21	-	-	1,264	29	1,314	0.10 - 0.75
Trade and other receivables	-	-	-	-	1,534	1,534	-
Contract assets	-	-	-	-	6,802	6,802	-
Other current financial assets	-	-	-	-	7	7	-
Restricted bank deposits	110	-	-	-	-	110	0.10 - 0.32
Other non-current financial assets	-	-	-	-	11	11	-
Long-term loans	-	16	-	235	191	442	MLR, 7.12
	131	16	-	1,499	8,574	10,220	
<u>Financial liabilities</u>							
Bank overdrafts and short-term							
loans from financial institutions	-	-	-	4,483	-	4,483	Note 21
Trade and other payables	-	-	-	-	2,756	2,756	-
Lease liabilities	72	87	-	-	-	159	2.40 - 8.54
Short-term loans	159	-	-	-	-	159	2.50 - 4.60
Long-term loans from banks	-	-	-	1,225	-	1,225	Note 24
	231	87	-	5,708	2,756	8,782	

Interest rate sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate long-term loans affected as at 31 December 2022 and 2021, with all other variables held constant.

Currency	2022		2021	
	Increase/ decrease	Effect on profit before tax	Increase/ decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+0.25	(3,616)	+0.25	(3,532)
	-0.25	3,616	-0.25	3,532

The above analysis has been prepared assuming that the amounts of the floating rate loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans, debentures and lease contracts. As at 31 December 2022, Approximately 86% of the Group's debt will be mature in less than one year (2021: 87%) (Separate financial statements: 88% 2021: 89%) based on the carrying value of debt reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. In addition, the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans				
from financial institutions	4,698	-	-	4,698
Trade and other payables	3,723	-	-	3,723
Lease liabilities	78	107	201	386
Short-term loans	275	-	-	275
Long-term loans from banks	101	921	849	1,871
Long-term loans from unrelated party	24	7	-	31
Debentures	35	529	-	564
Total	8,886	1,561	1,050	11,497

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2021

	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans				
from financial institutions	4,627	-	-	4,627
Trade and other payables	2,963	-	-	2,963
Lease liabilities	77	106	108	291
Short-term loans	163	-	-	163
Long-term loans from banks	174	1,333	225	1,732
Long-term loans from unrelated party	33	-	-	33
Total	8,037	1,439	333	9,809

(Unit: Million Baht)

Separate financial statements

As at 31 December 2022

	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans				
from financial institutions	4,552	-	-	4,552
Trade and other payables	3,686	-	-	3,686
Lease liabilities	64	63	-	127
Short-term loans	273	-	-	273
Long-term loans from banks	55	670	841	1,566
Debentures	35	529	-	564
Total	8,665	1,262	841	10,768

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Bank overdraft and short-term loans				
from financial institutions	4,505	-	-	4,505
Trade and other payables	2,756	-	-	2,756
Lease liabilities	72	87	-	159
Short-term loans	161	-	-	161
Long-term loans from banks	92	1,147	217	1,456
Total	7,586	1,234	217	9,037

38.2 Fair values of financial instruments

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

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have cash and cash equivalents, trade accounts receivable, contract assets, short-term lending and advance, bank overdrafts and short-term loans from financial instruments, trade and other payables and short-term borrowings, the carrying amounts in the statement of financial position approximate their fair value.
- The fair value of debt securities is generally derived from quoted market prices.
- The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- The fair value of long-term lending is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.
- The fair value of debentures and fixed rate long-term borrowings is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- The carrying amounts of long-term borrowings carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

39. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different level of inputs as follows:

(Unit: Million Baht)				
Consolidated financial statements				
as at 31 December 2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	-	6	-	6
Equity investments	-	-	11	11
Assets for which fair value are disclosed				
Investment properties	-	355	-	355
Liabilities for which fair value are disclosed				
Debentures	-	507	-	507

(Unit: Million Baht)				
Consolidated financial statements				
as at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	-	6	-	6
Equity investments	-	-	11	11
Assets for which fair value are disclosed				
Investment properties	-	355	-	355

(Unit: Million Baht)

Separate financial statements
as at 31 December 2022

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	-	6	-	6
Equity investments	-	-	11	11
Assets for which fair value are disclosed				
Investment properties	-	351	-	351
Liabilities for which fair value are disclosed				
Debentures	-	507	-	507

(Unit: Million Baht)

Separate financial statements
as at 31 December 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	-	6	-	6
Equity investments	-	-	11	11
Assets for which fair value are disclosed				
Investment properties	-	351	-	351

40. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 6.42:1 (2021: 6.27:1) and the Company's was 6.02:1 (2021: 5.05:1).

41. Events after the reporting period

On 13 January 2023, the Company has pledged all 257,999,800 ordinary shares of UBA, a subsidiary, to secure long-term loans from a financial institution amounting to Baht 500 million, bearing interest at a rate of MLR-1.50 percent per annum. The loans have a tenor of 5 years.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2023.

Certification of Information Accuracy

The Company has carefully reviewed the information in this annual report. The Company hereby represent and warrant that all information is accurate, complete, contain no false statement, does not mislead others, or lack of information that should be notified in material matters. In addition, the Company hereby represent the followings:

1. Financial statements and financial information summarized in this annual statement have presented accurate and complete information on essential matters relating to the financial position performance, operational performance, and cash flows of the Company and its subsidiaries.

2. The Company has established a good information disclosure system in order to ensure that the Company has disclosed the information that is material to both the Company and its subsidiaries correctly and completely, as well as to control and supervise the implementation of the said system.

3. The Company has set up a good internal control system and supervises to ensure compliance with the system. The Company has informed the internal control system assessment information as of February 28, 2023 to the auditor and the Audit Committee of the Company, which covers the shortcomings and significant changes of the internal control system, including fault practice that may affect the preparation of financial statements of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the Company has certified. The Company has assigned Ms. Pakatip Lopandhsri to sign this document on every page. If any document does not have the signature of Ms. Pakatip Lopandhsri, the Company will assume that it is not the information that the Company has certified the accuracy of the information mentioned above.

Name	Position	Signature
1. Mr. Polpat Karnasuta	Director and Chief Executive Officer	- Polpat Karnasuta -
2. Mr. Mongkol Peerasantikul	President	- Mongkol Peerasantikul -

Authorized presentative

Ms. Pakatip Lopandhsri	Director, Company Secretary, Senior Vice President	- Pakatip Lopandhsri -
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