



**BUILD FOR
BETTER
TOMORROW**



CAZ (Thailand) Public Company Limited

Annual Report 2022

(Form 56-1 One Report)

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To be a leader in
Construction services with the most
competitive capabilities and potential, playing
a part in the steady and sustainable
prosperity of Thailand



To offer professional construction
services with the potential to
be provider of engineering,
procurement and
construction.

VISION MISSION

Strategy, and
Business
Goals



To develop
engineering service
capabilities and expand
international
markets.



To be the leader in providing integrated
construction services (EPC player)
with strong presence in Asia Pacific.



Message from the Chairman of the Board

The continuation of COVID-19 pandemic from 2021 to 2022 was still the major challenge to manage the Company business. The management laid down guidelines and exercised measures to arrange routine working environment to ensure that every employee was free from the disease. Site supervisors consistently mitigated risks and put high level controls on workplace hygiene until the severity of pandemic subsided in the last quarter of 2022. Since then, the management speeded up all project works to as to complete them on time. The annual performance of the Company was, therefore, satisfactorily achieved with high profitability level for another year of success, as shown in this Report.

In 2022, the Company continued to reshape its business strategies so as to develop appropriate work processes in line with Good Corporate Governance guidelines, in respective to New Normal context. Taking into account social benefits and environmental conservation in business processes creates values, delivers business stability and renders sustainable outcomes to benefit all stakeholders. For social concerns, the Company has recently declared its intention to conduct business free from corruption by joining the Thai Private Sector Collective Action against Corruption (CAC) and has been in the process of applying for certification from the CAC. In this regards, the Company established practical measures of internal controls according to the Company's anti-corruption policy and established guidelines for the management to communicate same to all employees so that actions against corruption are taken up at all staff level throughout the organization.

To promote Good Corporate Governance in practices, the Board of Directors had initiated a Control Self Assessment (CSA) project to instill values and business management culture with respective to risk assessment and internal controls such that internal controls are direct accountability of each Department Head. Every department is encouraged to continually improve its own effectiveness of internal controls by oversee that all in line supervisors conduct risk assessment and take sufficient internal controls in collaboration with other supervisors in cross functional manner. In 2022, the Company assigned all Department Heads to evaluate compliance with labor protection laws, the Company's human resource management rules and regulations of which the assessment results was presented to the Audit Committee for consideration and receiving advice for further development.

Taking a small step towards energy conservation and environmental preservation, in last quarter of 2022, the Company conducted a feasibility study for an installation of a solar power generation unit at the Head Office in Rayong province. Solar energy is a green and renewable energy which reduces operating cost compared to buying electricity from the Authority. In addition, the project helps raise an awareness of energy conservation and the benefits of clean energy to employees and nearby society such that it contributes to the reduction of environmental impact compared to fossil fuel electricity generation.

On behalf of the Board of Directors, I would like to express sincere gratitude to shareholders, customers, business partners and all stakeholders who show trust on the Company and continually support Company business throughout the years. Thanks to all executives and employees who perform their duties with the best of their abilities and always be ready to deal with high challenging situations. CAZ is committed to manage its business in accordance with the principles of Good Corporate Governance, manage risks cautiously, raise the effectiveness of internal controls and improve all aspects of operations to achieve optimal social benefits, stronger organizational foundation and sustainable growth.

Mr. Narongrit Tavornvisitporn

Chairman of the Board of Directors



Message from the Chief Executive Officer

“The Company operates its business on the basis of transparency, ethics, adherence to good corporate governance principles, and compliance with the laws relating to anti-corruption measures strictly”

CAZ (Thailand) Public Company Limited (“the Company” or “CAZ”) operates its business in providing a comprehensive range of construction-related services to target customers, which include petrochemical plants, oil refinery projects, power plant projects, and infrastructure projects. With the expertise of our team of engineers coupled with cost efficient management, the Company’s business portfolio is wider than any other company as we provide Engineering, Procurement, and Construction services for every discipline of work such as civil and building work, structure and piping mechanical work, and electrical and instrument work, through our own personnel and worker without subcontracting. Meanwhile, the Company’s objective is to create satisfaction for customers who can deliver projects with high quality and safety within the milestone schedule as specified in the contract.

With the commitment to work, the Company has successfully completed the construction of various projects within the specified timeframe together with effective project management. The Group has revenue from construction contracts for the year ended 31 December 2022, totaling of Baht 3,135.46 Million. Increasing of Baht 940.77 Million or 42.87%, compared with the same period of last year, The Company also has the backlog projects of THB 2,430.83 million.

And the operational guidelines 2023, the Company still strives to be the leader in the construction services with the most competitive capabilities and potential, playing a part of prosperity of Thailand in steadily and sustainably.

In order to overcome problems such as the current economic recession and rising raw material prices, we will make efforts to discover future growth portfolios and strengthen profitability by converting to risk-minimizing businesses.

On behalf of the Board of Directors and Executives, we would like to take this opportunity to express sincere appreciation to our customers, shareholders, business partners and all related parties who continue to show unwavering confidence, trust in the Company. In addition, I would like to thank all employees for their efforts, dedication, patience, and honesty in order to achieve the Company’s goals throughout the past year. The Company will carry out the construction works under good governance with regard to standards, quality, punctuality and maximum safety and responsibility for the environment, society and all stakeholders.

Mr. Chung Sik Hong

Chairman of Executive Committee /

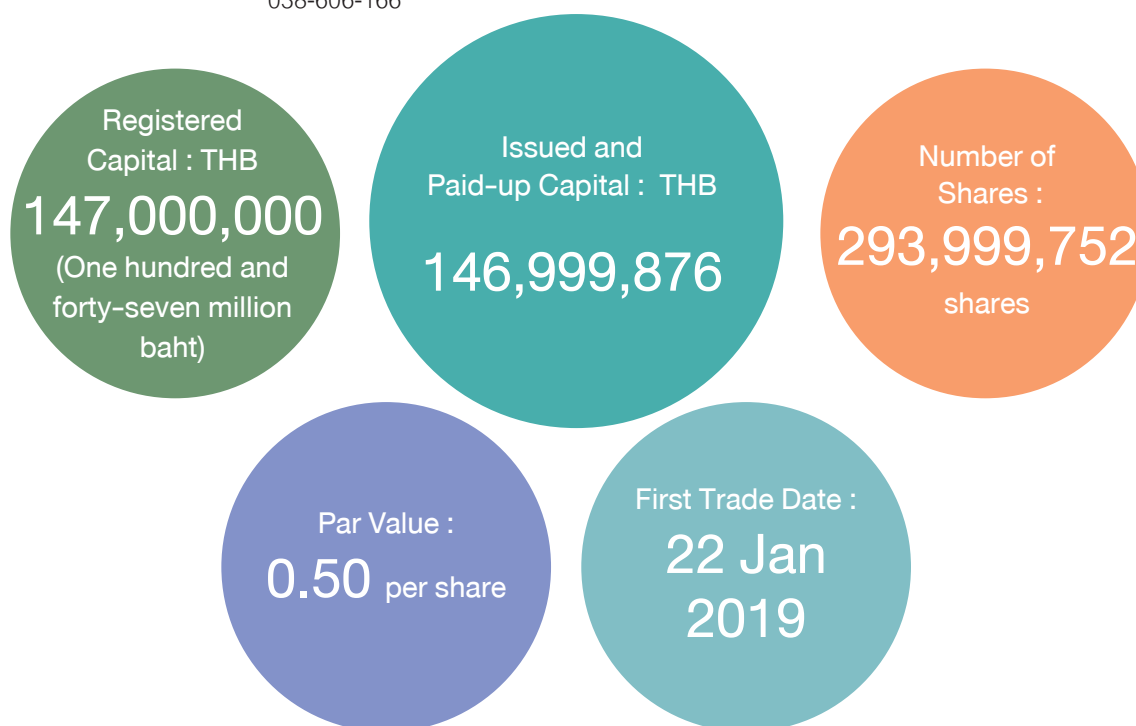
Chief Executive Officer

General Information and Other Important Information

General Information



Symbol :	CAZ
Company Name :	CAZ (Thailand) Public Company Limited
Registration Number :	0107561000145
Head Office :	239 Huaypong-Nongbon Road, Huaypong Sub-district, Muang Rayong District, Rayong
Nature of Business :	Full-range contractor services (EPC), structure and system installation, civil construction, fabrication works and other services in the oil & gas and petrochemical industry.
Website :	www.caz.co.th
E-Mail :	info@caz.co.th
Telephone :	038-606-242
Fax :	038-606-166



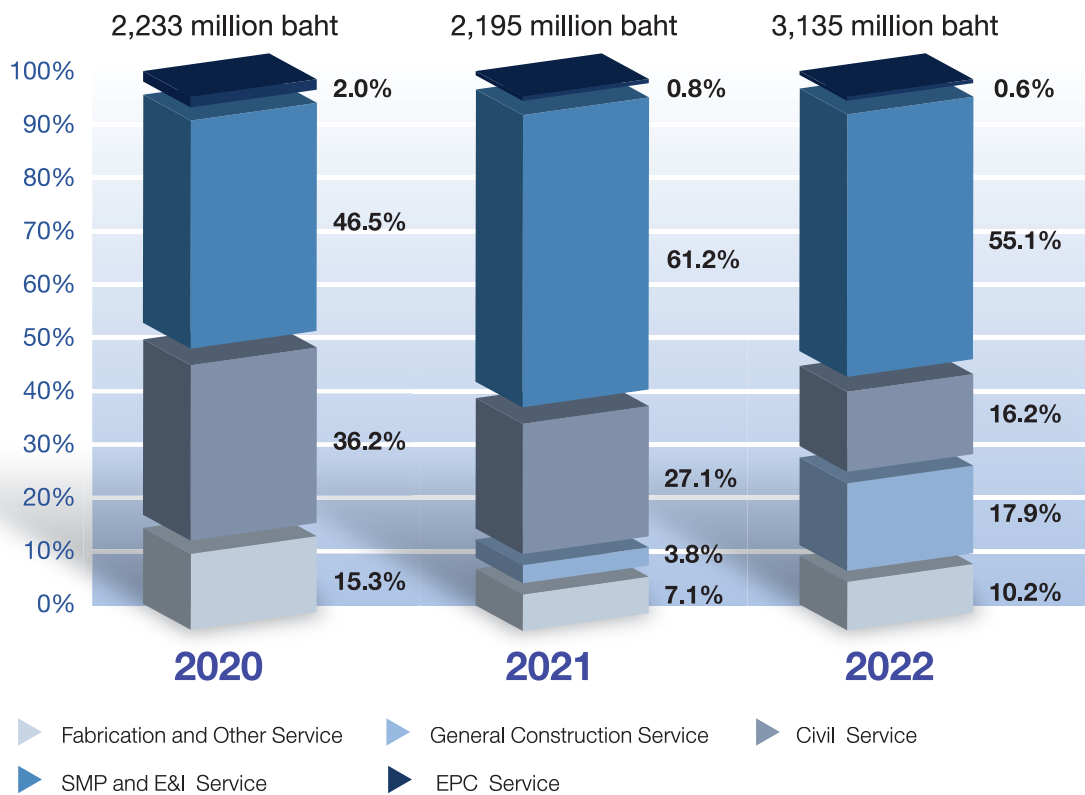
Investor relation :	Ms. Nattiya Charusombat Telephone 038-606-242 Ext.516 / email info@caz.co.th
Company Secretary :	Ms. Nattiya Charusombat Telephone 038-606-242 Ext.516 / email nattiya.p@caz.co.th

Other Related Parties

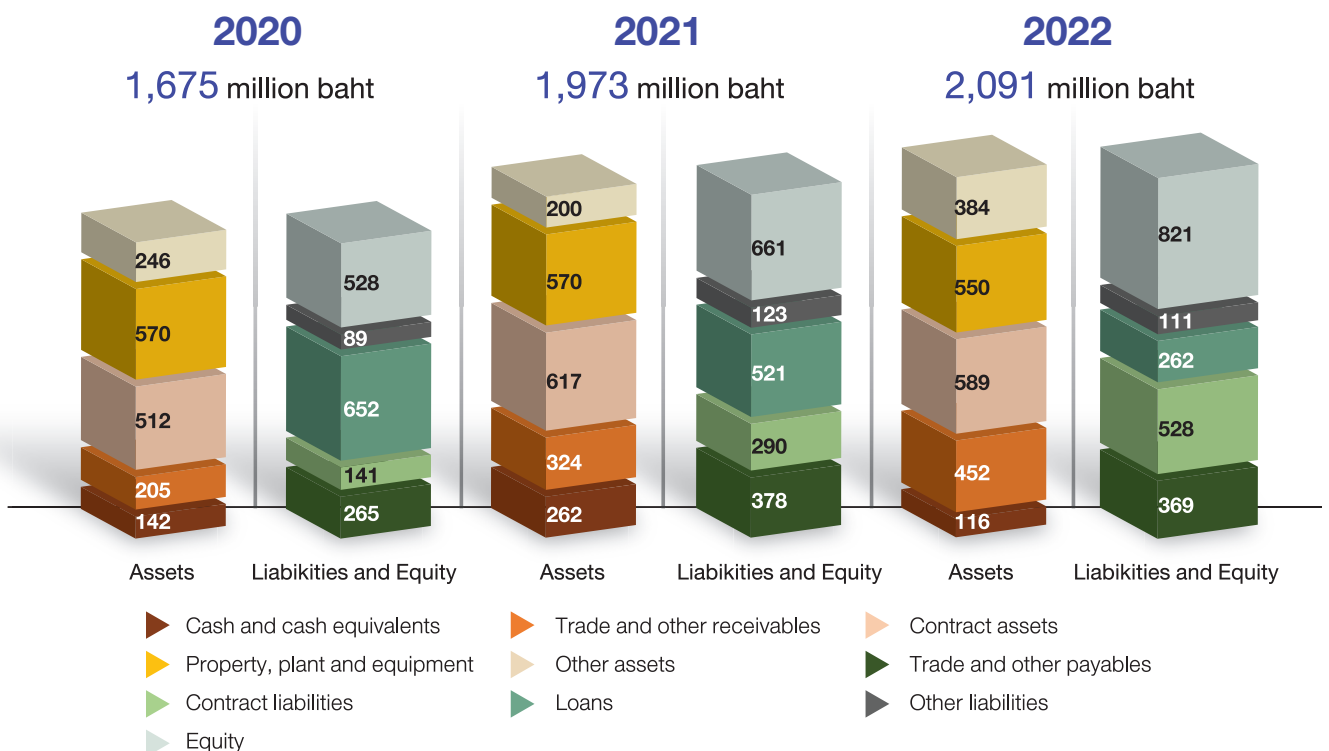
Auditor :	KPMG Phoomchai Audit Limited 50 th Floor, Empire Tower 1 Sathon Road, Yanaawa, Sathon, Bangkok 10120 Telephone : 02-677-2000
Internal Auditor :	Dharmniti Internal Audit Company Limited 5th Floor, Dharmniti Building, 178 Soi Prachacheun 20, Prachacheun Road, Bangsue, Bangkok 10800 Telephone : 02-596-0500
Securities Registrar :	The Stock Exchange of Thailand
Common Shares :	The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400 Telephone : 02-009-9999

Financial Highlight

Revenue from construction service

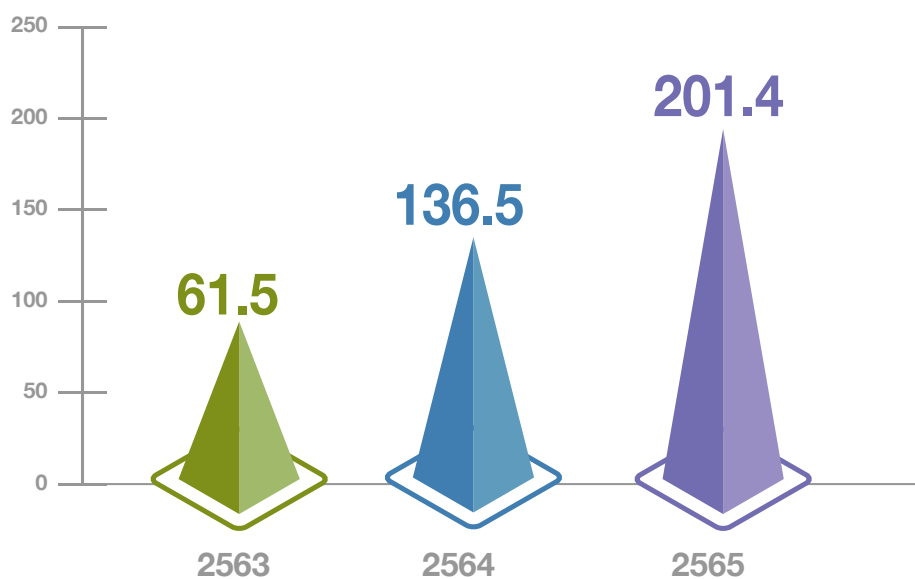


Statement of Financial Position



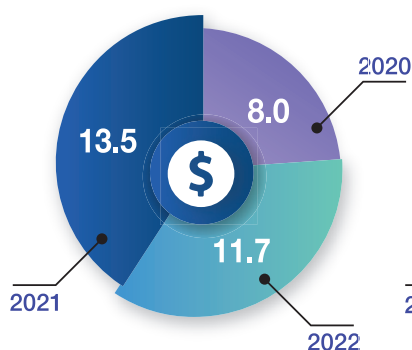
Operating results

Net profit attributable to owner of parents (Million Baht)

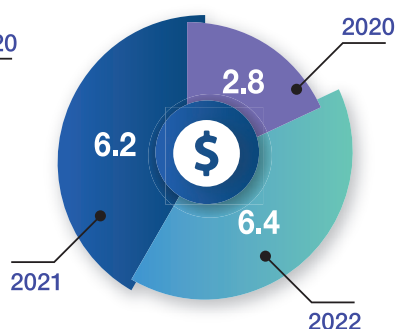


Financial Ratio

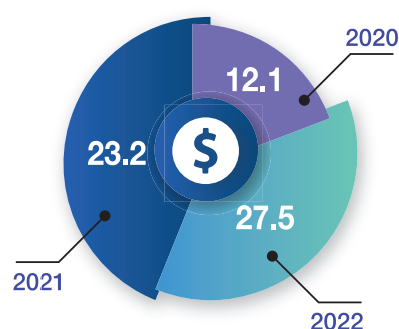
Gross profit margin (%)



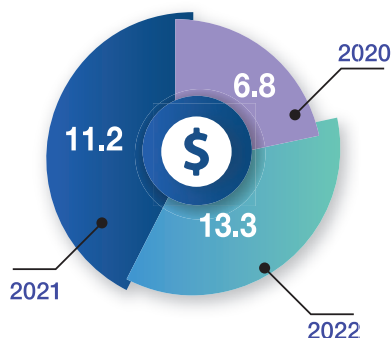
Net profit margin (%)



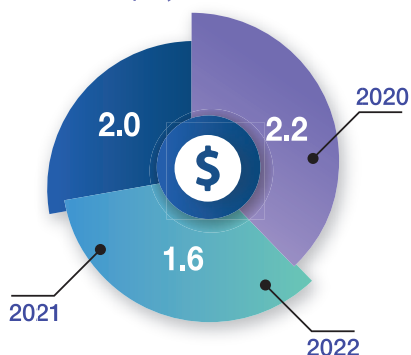
Return on equity (%)



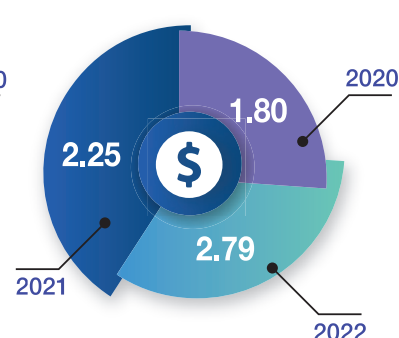
Return on assets (%)



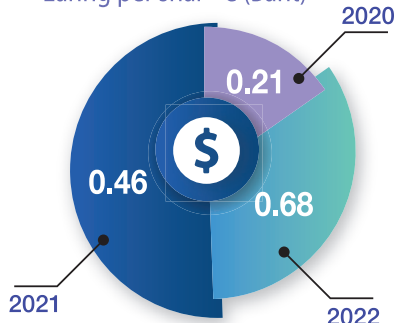
Debt to equity ratio (times)



Book value per share (Baht)*



Earnings per share (Baht)*



(Note : *decimal 2 digits)

Projects Highlight



PTT LNG Receiving
Terminal Nongfab
Project

Civil



PTT LNG Receiving
Terminal Nongfab
Project

Piping



Projects Highlight



Projects Highlight



PTTLNG Receiving
Terminal Nongfab
Project

**Structure &
Mechanical**



PTT GC OMP Project

**General
Construction**

Board of Committee



**Mr. Narongrit
Tavorntvisitporn**

- Independent Director
- Chairman of the Board of Directors
- Audit Committee Member
- Nomination and Remuneration Committee Member



**Mr. Natie
Tabmanie**

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



**Mr. Yingyong
Techarungnirun**

- Independent Director
- Audit Committee Member



**Mr. Somchai
Kanbuakaew**

- Director (Authorized Director)
- Executive Committee Member
- Chairman of the Nomination and Remuneration Committee
- Risk Management Committee Member



**Mr. Chung
Sik Hong**

- Director (Executive Director) (Authorized Director)
- Chairman of the Executive Committee
- Chief Executive Officer
- Chairman of the Risk Management Committee
- Chairman of the Anti-Fraud and Corruption Committee



**Mr. Prasert
Treeveeranuwat**

- Director
- Executive Committee Member
- Risk Management Committee Member



**Mr. Yeong
Cheol Choi**

- Director



**Mr.Somyos
Tiranawatananun^{1/}**

- Director (Authorized Director)



**Mr. Prapas
Kong-led^{2/}**

- Director
- Executive Committee Member

Remark : ^{1/}Appointed to be the Director in the Board Meeting no. 1/2023 on 16 January 2023. With effect from 17 January 2023.

^{2/}Appointed to be the Director/ Executive Committee Member in the Board Meeting no. 4/2023 on 14 March 2023. With effect from 14 March 2023.



Section 1

Operational structure
of the group of companies



Operational structure of the group of companies

Business policies and business overview

CAZ (Thailand) Public Company Limited ("the Company" or "CAZ") operates its business in offering engineering design services, mechanical and equipment procurement, and comprehensive construction service or Engineering, Procurement, and Construction (EPC). The Company has a strong commitment to work towards for achieving its vision and mission to serving all customers' requirement in various industries. Especially, for customers in heavy industrial who have require the high quality and international standards. In addition, the Company does supporting the investment of both government and private sectors in the Eastern Economic Corridor (EEC) development project. Which focuses on investment in infrastructure development and utilities. And increasing the potential of investment and develop economic activities in industrial estates. In order to support development plan of the Industrial Estate Authority of Thailand's for real estate business in area of the eastern such Chonburi and Rayong province. The strategies and goals of business operations for sustainable growth are as follows:

Strategy and Business Goals

Strategy

- To develop and create a standard for professional engineering services
- To achieve excellence in project operations in enhance engineering service capabilities and standards, receiving quality certification issued by the American Society Mechanical Engineers: ASME, which is an internationally renowned organization
- To closely and continuously plan and manage operating costs for secure and sustainable growth

Business Goals

- To offer engineering services for large projects of up to THB 3 billion, providing locally and internationally-accepted quality services
- To expand the client base to Asia Pacific
- To procure cutting-edge equipment and develop personnel capabilities to support future growth

Major Changes and Milestones

The Company's operating by Mr. Chung Sik Hong (Chief Operating Officer) and teams of experienced engineers, the Company is widely-accepted and known for its integrated services in the oil, gas, and petrochemical industry, with the following key milestones.

2014

- Established with initial registered capital of THB 28.50 million, comprising of 285,000 shares with par value of THB 100 per share. The Company began providing its services mainly as subcontractor for civil engineering work.

2015

- Issued 260,000 new shares for a total amount of THB 26.60 million to Takuni (Thailand) Company Limited (TT) as co-investor, accounting for 47.72% of paid-up capital. As a result, the Company's paid-up capital amounted to THB 54.50 million, comprising of 545,000 shares with par value of THB 100 per share.

2016

- Issued 40,000 new shares for a total amount of THB 4.00 million to TT to increase TT's shareholding portion in the Company from 47.72% to 51.30%, changing the Company's status as being TT's associate company to being a subsidiary, with paid-up capital of THB 58.50 million, comprising of 585,000 shares with par value of THB 100 per share.
- The Company purchased land, together with office building and factory building, covering 108 rais and equipment for a total value of THB 285.00 million, located at 239 Huaypong-Nongbon Road, Huaypong Sub-district, Muang Rayong District, Rayong. This for support the Company sale's growth.

2017

- The Company invested in JKEC Company Limited (JKEC), a civil and foundation work construction service provider. The Company held 21,000 shares in JKEC, reflecting shareholding portion of 51.22% of paid-up capital, as part of cost control initiative for projects undertaken by the Company involving civil and foundation work.

2018

- The Company issued new shares for a total amount of THB 41.50 million, with par value of THB 100 per share. To serve as working capital and to support bids for new projects. As a result, the Company's paid-up capital amounted to THB 100.00 million, comprising of 1,000,000 shares.

- The Company transformed its status from CAZ (Thailand) Company Limited to CAZ (Thailand) Public Company Limited and increased its registered share capital by THB 40.00 million to support the offering of new shares to the public (IPO). In addition, the Company changed its par value from THB 100 per share to THB 0.50 per share. Resulting, the Company having registered capital of 280,000,000 shares, with a total paid-up capital of THB 100.00 million and 200,000,000 registered and paid-up shares.
- The Company purchased 9,000 shares of JKEC, resulting in an increase in the Company's shareholding portion in JKEC from 51.22% to 73.17%.

2019

- The Company offered to sell the newly issued shares to the public for the first time in the amount of 80,000,000 shares by selling the new shares to the subscribers at the price of THB 3.90 per share, totaling THB 312.00 million by the listed Company. And began to be traded on the Stock Exchange of Thailand on 22 January 2019.
- The Company invested in land Buildings and factories in Pluak Daeng District, Rayong Province, with a total area of 79 rai 47 square meters in the amount of THB 100.00 million to support company capacities of existing projects on hand and additional future projects.
- The Company invested in additional 43,902 ordinary shares of JKEC (a subsidiary company) with a par value of THB 100 totaling THB 4,390,200 and still maintaining the proportion of investment in the subsidiary at the rate of 73.17%.

2020

- The Company expanded the steel structure work capacity for new contracts which has been signed in Q1/ 2020 to new factory located on Pluak Daeng District, Rayong Province, after the land, buildings and factories have completed renovation since April 2020.
- The Company signed a construction contract for the Clean Fuel Project. The scope of works is procurement, production and installation of structural work, mechanical work, pipe work, totaling of Baht 1,608 Million, which is considered the most valuable project since the establishment of the Company.

2021

- The Company was registered with the Ministry of Commerce on May 11, 2021 to increase the registered capital from of Baht 140 million to the registered capital of Baht 147 million to support the dividend payment of Baht 7 million baht. By issuing new ordinary shares in the amount of Baht 14 million, with a par value of 0.50 baht per share. Resulting, a total issued and paid-up capital of Baht 147 million.
- The Company received the international standard for Occupational Health and Safety Management (OH&S: Occupational Health and Safety Management) (ISO 45000:2018). To help reduce wastage, accidental injuries, and protect employees' health from work. Additional, to create a better working environment for employees in the workplace.
- The Company signed a construction contract of Olefins Plant Modification Project I-4/2, totaling of Baht 961 million, which is general construction to provide comprehensive of civil engineering and steel structure construction.

2022

- The Company signed construction contracts totaling of Baht 1,337 million which main projects are Clean Fuel Project totaling of Baht 694 million, scope of service are civil works and piping fabrication work. New Hydrogen Manufacturing Unit (HMU-2) Project and Ultra Clean Fuel Project which both scope of service is steel structure fabrication work.
- The Group recognized revenue for the year totaling of Baht 3,135 million which was a new high of total revenue from construction contracts since established. As of December 31, 2022, the Group has backlog total value of Baht 2,431 million.

Nature of Business

Revenue structure for 2020 - 2022 by the business segment could be divided into 5 categories as follows.

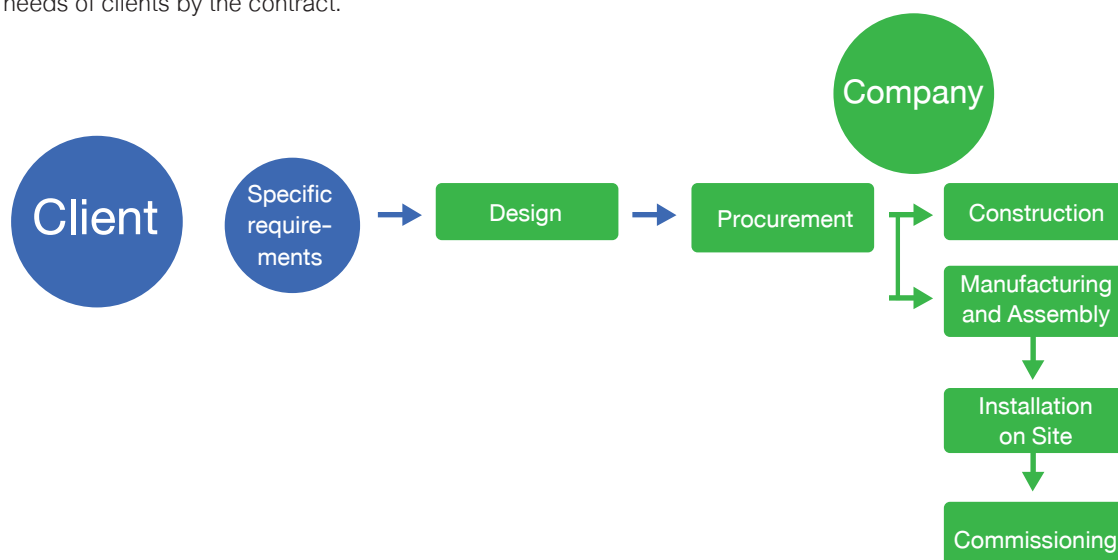
Type of Business	2020			2021			2022		
	Million Baht	I	%	Million Baht	I	%	Million Baht	I	%
Engineering, Procurement and Construction (EPC) Service	44.98		2.01	17.70		0.81	21.48		0.69
SMP & E&I Services	1,037.52		46.39	1,343.50		61.09	1,727.57		55.06
Civil and Building Service	808.40		36.15	595.60		27.08	507.35		16.17
General Construction Service	-		-	82.56		3.75	560.52		17.86
Fabrication and Other Service	342.16		15.30	155.34		7.06	318.54		10.15
Total Revenue from services	2,233.06		99.85	2,194.70		99.79	3,135.46		99.93
Other income ^{1/}	3.37		0.15	4.53		0.21	2.35		0.07
Total revenue	2,236.43		100.00	2,199.23		100.00	3,137.81		100.00

Remarks: ^{1/} Other income comprises of rental income from lease of office spaces and sales of scrap metal or other unused assets

Description of Business

The Company has experiences and operates the business as engineering service provider to clients in the oil, gas, and petrochemical industry. The nature of business provided by the Company and its subsidiaries could be divided into 5 categories as follows.

1. Engineering, Procurement and Construction Service: EPC includes engineering design, the supply of raw materials, machinery and equipment and construction management by the operation system of machinery and equipment, and Pre-Commissioning to satisfy the needs of clients by the contract.



The kinds of services could be categorized as follows.

1.1 Engineering refers to engineering design as per client request. The Company employs highly-skilled engineers with expertise and technical knowledge about civil and architectural, structural, mechanical and piping, electrical, and instrument. The Company perform fully-integrated structural, civil and infrastructure services as customers' demand.

1.2 Procurement refers to the procurement of construction materials and related equipment for use in construction and installation in accordance with operational procedures which was laid out by the Company as per client request. Together with set out required material and equipment specification and a list of approved and qualified vendor. The Company also negotiation with suppliers covering costs, terms and conditions, quality control, and coordination with vendors to assure timely handling of materials, equipment and machinery to comply with overall project timeline and contract.

1.3 Construction refers to construction contractor services and the installation of engineering systems after completion of design and procurement. The Company will allocate construction team of experts with technical expertise appropriate to each type of project. The engineer teams will collaborate in executing the operations of each project from coordinating with clients or representatives, sub-contractors, manufacturers and distributors of machinery and equipment, and design engineers, overseeing quality control and overall construction timeline, conducting project management in cost and disbursements, and conducting overseeing overall work safety. The Company provides construction contractor services in the areas of Civil Work, Building Work, Production and Fabrication Work of Steel Structure,

Projects Example of EPC Service

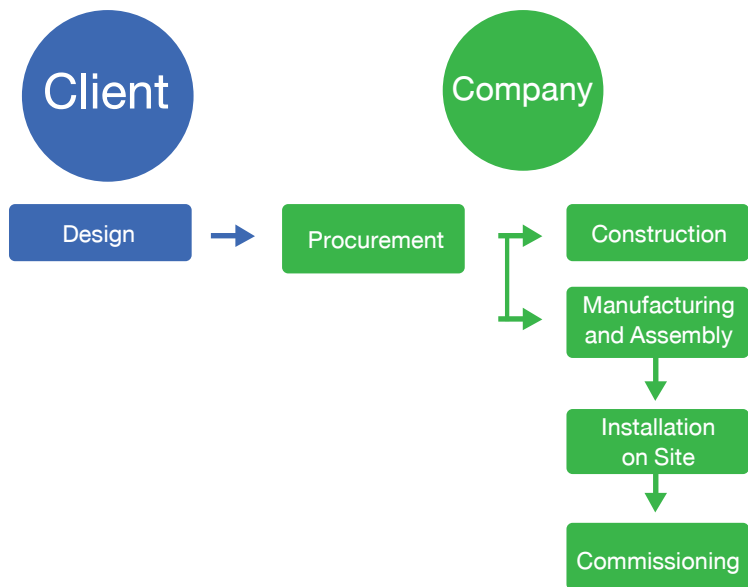


Project : PTT Tank Terminal Propylene
Spherical Tank Propylene Storage 4,000 tons.



Project : BCP Enclosed Ground Flare (EGF).

2. Construction Service: Structural Mechanical Piping (SMP) and Electrical & Instrument (E&I) Services includes construction and installation service for steel structure, piping (systems), mechanical equipment and machinery, electrical work, control system, as well as providing system and Pre-commissioning and commissioning.



The kinds of services could be divided into the following categories.

2.1 Steel Structure: The Company fabricates, procures, assembles and installs steel structure both inside and outside of the building to support pipe bridge and pipe rack, as well as to create a foundation for heavy equipment and machinery for industrial uses such as oil refinery plant, petrochemical plant, and power plant in accordance with clients' request before (progressing to on-site) installation on site.

2.2 Mechanical (and electrical) work: The Company procures, assembles and installs machinery and equipment as per clients' request.

2.3 Piping: The Company assembles, installs (this includes the assembly, installation,) and welding of pipes used in transmission pipeline of liquid and gas, such as oil and solvents, in accordance with the design instruction set for industrial factories such as petrochemical plant, oil refinery plant and power plant. Most of the time clients would prepare customized pipes from overseas or through importers because it is mostly unable to be produced locally, with the customized pipes usually made from specialized metal materials that contain special properties. Such customized pipes are seamless steel pipes with large diameter, thicker when compared to standard industrial pipes such as carbon steel (pipes), stainless steel (pipes), and alloy (pipes), produced from various mix of metal materials including carbon, nickel, stainless steel, and titanium alloys depending on the requirement. The assembly and installation of such customized pipes require special technique and technical expertise such as x-ray or post-weld heat treatment to release internal pressure, to deliver products that meet quality standards. As these pipes will be used in heavy industries, attention needs to be given to the properties they hold including pressure level, heat, pH balance, and resistance to corrosion to prevent damage to the overall production process.

2.4 Electrical & Instrument Service: The Company procures, assembles and installs of machinery, equipment, and control electrical system as per clients' request, as well as Pre-commissioning and commissioning.

Examples of Steel Structure, Mechanical, Piping and E&I Construction Services

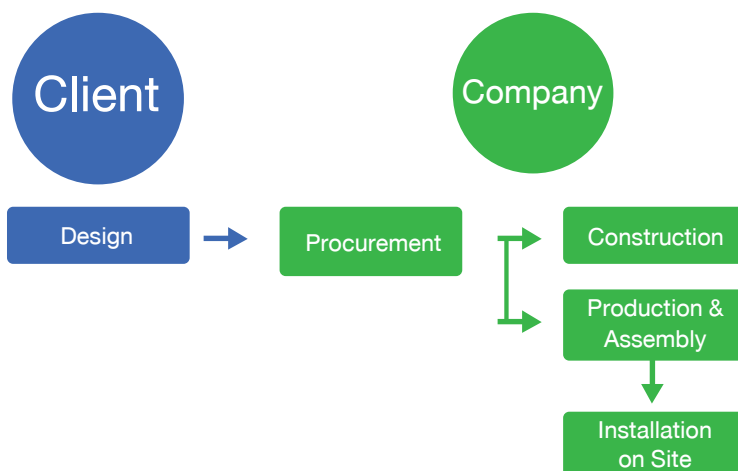


Project : Wangnoi Compressor Station



Project : Clean Fuel

3. Civil & Building Services: The Company provides civil engineering services such as pile work, foundation work, building structural work, and painting work.



Examples of Civil Engineering Work

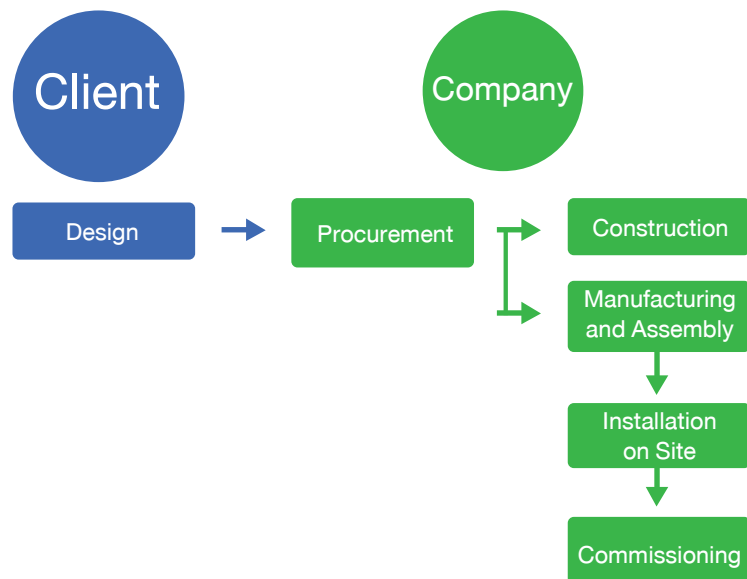


Project : Propylene Oxide Project, civil engineering for items 2 and 4



Project: BCP Continuous Catalyst Regeneration (CCR) and Hydrocracker Unit (HCU) Civil

4. General Construction Service: The Company provide the comprehensive of civil and structure service which are serve for foundation, infrastructure, and building works. Including, steel structure works, piping and mechanical installation for industry, energy and petrochemical business.



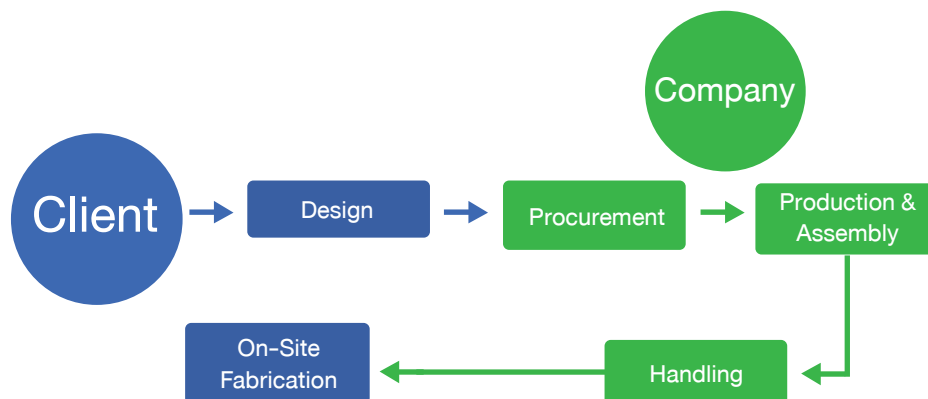
Examples of General Construction Service



Project : Olefins I-4/2 Modification for Propane Feedstock



5. Fabrication and Other Service: The Company provides services relating to the manufacture and assembly of steel structure, piping, heat exchanger, tanks fabrication, pressure vessel fabrication, as well as procurement of materials supply manpower.



The kinds of services could be divided into the following categories.

5.1 Shop Fabrication: The Company provides steel fabrication service to produce various structural steel parts through the cutting, bending, welding, and assembling of main raw materials including steel, steel pipes, and steel plates per clients' request. The Company produces custom-made steel fabrication in a variety of sorts with details as follows.

- i. **Steel Structure:** The Company will be responsible for steel structure fabrication, procurement, assembly, and delivery to clients.
- ii. **Piping:** includes cutting, bending, or welding to shop specification, as well as assembling and installing as per clients' request. A third party X-Ray or heat treatment must be applied to remove the induced internal pressure as part of quality standard inspection upon the completion of piping work before delivery to clients.

5.2 Tanks Fabrication: The Company provides services in manufacturing industrial-grade liquid tanks and gas tanks such as metal tank and sphere tank through cutting, bending, welding, rolling, and assembling of raw steel materials into tanks as required by clients, most of which have diameters of no more than 30 meters.

5.3 Pressure Vessel Fabrication: Involves the cutting and assembling of steel in accordance with clients' requirements, most of which would be used in such industries as petrochemical and gas, requiring the such vessel to be leak-proof to prevent any damage. The process with such level of complexity requires specific engineering knowledge and technical expertise to deliver products with quality in accordance to specified safety standards. Pressure vessel fabrication work include furnace & heater where the Company transformed steel pieces into furnace parts to be used in heat generation equipment in industries such as oil refinery, petrochemical plant, and electric power plant.

Examples of Shop Fabrication Work



Furnace & Heater



Heat Exchanger Fabrication



Bending Work



Drilling and Cutting Work



Heat Pipe Fabrication



Heat exchange pipe fabrication and assembly

Currently, the Company has 2 shops fabrication for manufacturing, processing and assembling parts for construction projects in each construction service categories, as detailed below.

- Piping Shop Fabrication: Responsible for manufacture and assembly, installation and welding of pipe systems. Including the welding of pipe systems which used for liquids and gases transmission. Located at 239 HuayPong-Nongbon Road, HuayPong Sub-district, Mueang Rayong District, Rayong Province, with an estimated work load capacity of 730,000 DB (Diameter Bore) per year.
- Structure Shop Fabrication: Responsible for manufacturing and assembly for steel products and structures. including liquid packaging tanks or gas used in heavy industrial. Located at 480 Village No. 1, Ban Bueng - Ban Khai Road, Lahan Sub-district, PluakDaeng District, Rayong Province, with an estimated work load capacity of 7,300 tons per year.

Key factors in steel fabrication include the capability of engineers and craftsmen in such work related to steel structure, including cutting, bending, drilling and welding of steel to deliver products of the highest quality and design accuracy for construction. The Company has knowledgeable and experienced teams of engineers to advise clients as well as certified welders who are qualified by the corresponding manufacturing standards of each product type, reinforcing the capability to provide exceptional service quality under strict quality control throughout the entire manufacturing and assembling process. Additionally, the Company has received various quality assurance certificates from renowned institutions with regular inspection held every 3 years.

The Company has received various certificates from renowned international institutions with the following details.

Certificate	Description	Name of Institution	Country
S	Standards relating to the manufacture, assembly and installation of fired pressure vessels	The American Society of Mechanical Engineers (ASME)	USA
U	Standards relating to the manufacture and installation of unfired pressure vessel		
U2	relating to the manufacture and installation of unfired pressure vessel level 2 (a higher compared to U)		
R	Standards relating to the repair and refinement of boiler and pressure vessel	The National Board of Boiler and Pressure Vessel Inspectors (NBIC)	USA

With the experience and expertise from its business operations, coupled with successful proven track record on various projects in Thailand, cost control and management, and control systems, the Company is able to efficiently management control costs and make timely delivery of work. Resulted to the credibility and built trust for clients in the oil, gas, and petrochemical industry ranging from oil refinery business, petrochemical plant business, power plant business, and natural gas business such as PTT Public Company Limited, Thai Oil Public Company Limited, Bangchak Corporation Public Company Limited, IRPC Public Company Limited, PTT Global Chemical Public Company Limited, and leading global construction companies such as China Petroleum Pipeline Bureau, Samsung Engineering (Thailand) Company Limited, Posco Engineering Company Limited, IHI Corporation, Hyundai Engineering Company Limited, Sinopec Engineering Group (Thailand) Company Limited, and Samsung-ITD Joint Venture.

Marketing Nature of Competition

Policies and Nature of Marketing

The Company's policy is to focus on expanding its markets to the oil, gas and petrochemical industries as these industries expand according to economic conditions. The Company has established an investment policy to develop its production capabilities as well as its personnel, especially the highly skilled professionals to be equipped for the current competition in the market, to maintain its service standards and long term relationship with its clients, and to continuously develop its production capabilities to strengthen its competitiveness, produce distinguished quality of work in various dimensions as well as timely make timely deliveries of work. The Company has formulated its strategy and policy in its main operations with details as follows.

Product and service quality most of the Company's product and construction service offerings are mainly for large industrial businesses, product quality and service standards are an integral part of the Company and therefore, meeting the specified standard is integral. Including, the monitoring system is used to control the quality of the product in every stage of production, installation, and non-destructive testing to ensure that every detail of the product meets the specified standards and safety regulations to end users and other related parties. And ensure that the quality of the product meets clients' requirements.

Diversity of products and services for the Company's operation in many years, it was proved the abilities to fully meet the needs of its clients, creating satisfaction and convenience. At present, the Company provides an array of construction services as mentioned in "Description of Products and Services". The Company's previous services are widely recognized by both project owners and contractors, especially from large leading companies that have continuously entrusted and used the services of the Company.

Timely delivery and service quality Normally, the Company uses around 4-24 months starting from the contract execution until delivery of work, depending on the complexity of the project. The Company focuses on timely delivery of work, which is a key factor taken into consideration when clients choose to engage a contractor for construction or production. To ensure timely delivery, the Company will investigate the procurement period and estimate the time needed in each process prior to accepting a project. In addition, the Company has a production control division to monitor and ensure that work process is in accordance with standards and set plan, as well as adopts new technology in the work process to further enhance efficiency and personnel

capabilities, focusing on continuous training and cultivating efficient teamwork which would reduce working hours required as well as limit potential errors. As a result, the Company is able to deliver quality work in a timely manner as per clients' request.

Management efficiency The Company has a good management and cost control system by adopting modern systems to monitor the overall process, especially for construction services, in order to increase efficiency in management and reduce work redundancy. Such system will be able to review and control procurement volume of raw materials and control project costs, enabling executives and project managers to verify construction cost in real time. In addition, the system allows project engineers to control raw material disbursements in accordance with the plan. Together with the use of bar code and GPS system, the Company is able to update work progress, reduce costs and working hours, as well as achieve high quality products that meet clients' expectation and make its delivery of work on time.

Target customers

The Company services clients in oil, gas, and petrochemical-related industries including crude oil refinery, petrochemical plants especially for PTT group, which has a comprehensive range of businesses including drilling and processing of natural gas, oil refinery, and petrochemical products. The proportion of customer type will vary from year to year depending on bidding opportunities from target customers and the Company's decision on project engagement. Revenues classified by project types in 2020 - 2022 are as follows:

Revenue Contribution by Project Type

Revenue by project type	2020			2021			2022		
	Amount	I	%	Amount	I	%	Amount	I	%
Petrochemical	1,748.62		78.31	1,178.45		53.70	2,015.34		64.28
PTT and its subsidiaries ¹	1,351.21		60.51	1,150.85		52.44	1,993.89		63.60
Other companies ²	397.41		17.80	27.60		1.26	21.45		0.68
Gas	484.44		21.69	1,016.25		46.30	1,120.12		35.72
PTT and its subsidiaries ¹	484.44		21.69	1,016.25		46.30	1,120.12		35.72
Other companies ²	-		-	-		-	-		-
Total	<u>2,233.06</u>		<u>100.00</u>	<u>2,194.70</u>		<u>100.00</u>	<u>3,135.46</u>		<u>100.00</u>

Remark: ¹PTT and its subsidiaries include PTT, PTTGC, PTT LNG, PTT TANK, Thai Oil, IRPC

²Other companies are companies in the petrochemical, gas and power plant industry

Distribution channels and Type of Contract

The Project Control Management team (PCM) of the Company is responsible for selecting target projects by monitoring bid announcements through various channels such as websites, newspapers, television, invitation emails from partners, and telephone inquiries. Bids are sometimes referred to by clients who are confident in the Company's business profile as well as by referral from business partners. The type of contract could be divided into two types as follows.

(1) Main Contractor

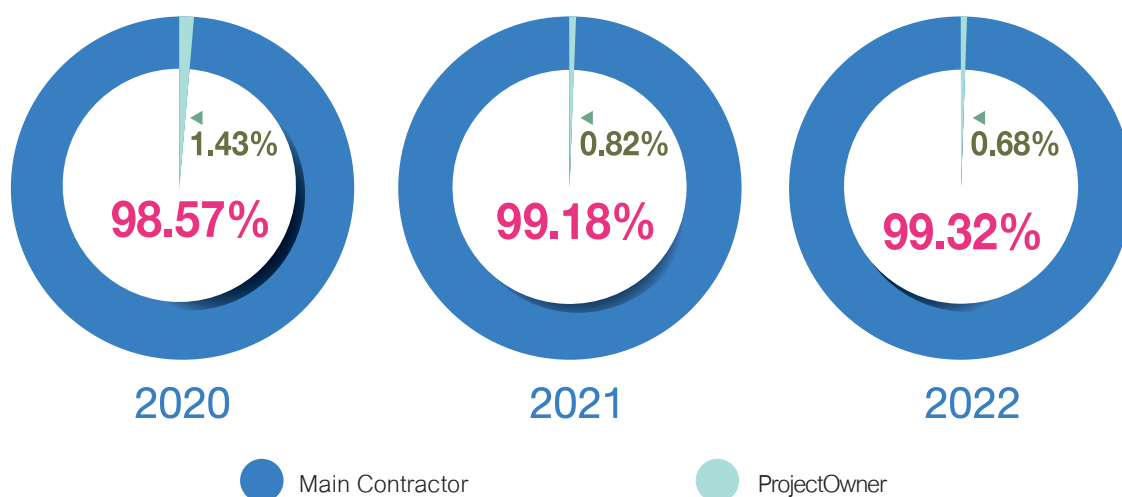
The Company works as sub-contractor through main contractors as its primary partners to secure construction projects. Main contractors secure large-scale projects by going into bids in the form of a single contract with the project owner, which covers the design, procurement, and construction for a large-scale industrial factory. The main contractor would then subcontract a portion of the work to the Company and other subcontractors. The majority of the Company's clients of 2021 were obtained through this channel. And main contractors of this year are Samsung Engineering (Thailand) Company Limited, Joint Venture of Petrofac Southeast Asia Pte. (PSEAL); Saipem Singapore Pte. Ltd. (SSING); Samsung Engineering (Thailand) Co., Ltd. (SET), and SPCC Joint Venture which are renowned contractors in Thailand and internationally recognized for their long history of their business profile.

(2) Project Owner

The Company works as main contractor with project owners who have plans to expand their investments, branches, production,

and/or improve existing projects. Most clients are existing clients who have maintained good relationship with the Company. This type of contract is usually done through bids where the project owner will consider business profile and then contact the Company for the bidding process. At present, the Company intends to focus more on obtaining projects directly from project owners to increased.

Revenue by the type of contract in 2020 - 2022



(3) Sourcing and process of Bids

Normally, the bids are an open where the project owner sets up a bid for anyone interested, the number of participants depend on the complexity and size of the project. In case of special procurement, the project owner will only send out invitations to selected companies based on their capabilities and track record on sales and services. Moreover, the Company's Marketing Division tracks bid announcements through different media channels and coordinates with price evaluation team to proceed with preparation of the bid. Some bids are referred to by the clients who believe in the Company's business profile, and some are referred to by the Company's trade partners.

Prior to the bid, the Company will request documents relating to the bid from clients such as Term of Reference (TOR), criteria, and construction design to conduct studies into the project. Executives will delegate the study the information and conduct quantities take-off to the price estimation team to ultimately prepare a preliminary quotation. The take-off must be in terms of quantities and price per unit, until conclusion is reached, and would then be presented to the working team and executives for joint discussion on whether or not the Company would participate in the bid. Should the Company decide to participate, related parties would consider the bid price. In case the Company wins the bid, the Company will host meetings with relevant parties such as project consultant, engineering team, and executives, to set up a work plan. The Company will then use the conclusion from the meeting to set up guidelines for construction plan and materials and equipment procurement, as well as labor sourcing, consistent with the work plan up to delivery of the project to clients.

Procurement of materials and consumable

The Company does not have a policy to store raw materials, other material, and consumable for a long period. However, will procure according to necessity of use in order to control cost efficiently. These are complying with in each project, clients determine the specification of materials used. The Company's inventory store mainly comprises of steel, which is the key material for the production of steel products such as steel plate and steel section, and thus are stored to reduce production time and facilitate prompt installation for clients.

Procurement process

1. **Quotations survey and comparing price of raw materials from suppliers**, during the bidding prior to the execution of contract with the clients. The Company will negotiate on the sourcing of raw materials. Clients usually determine the grade and specification of materials, as well as the client's own supplier approved list. The Company will then conduct preliminary price examination from the supplier once the contract is executed.

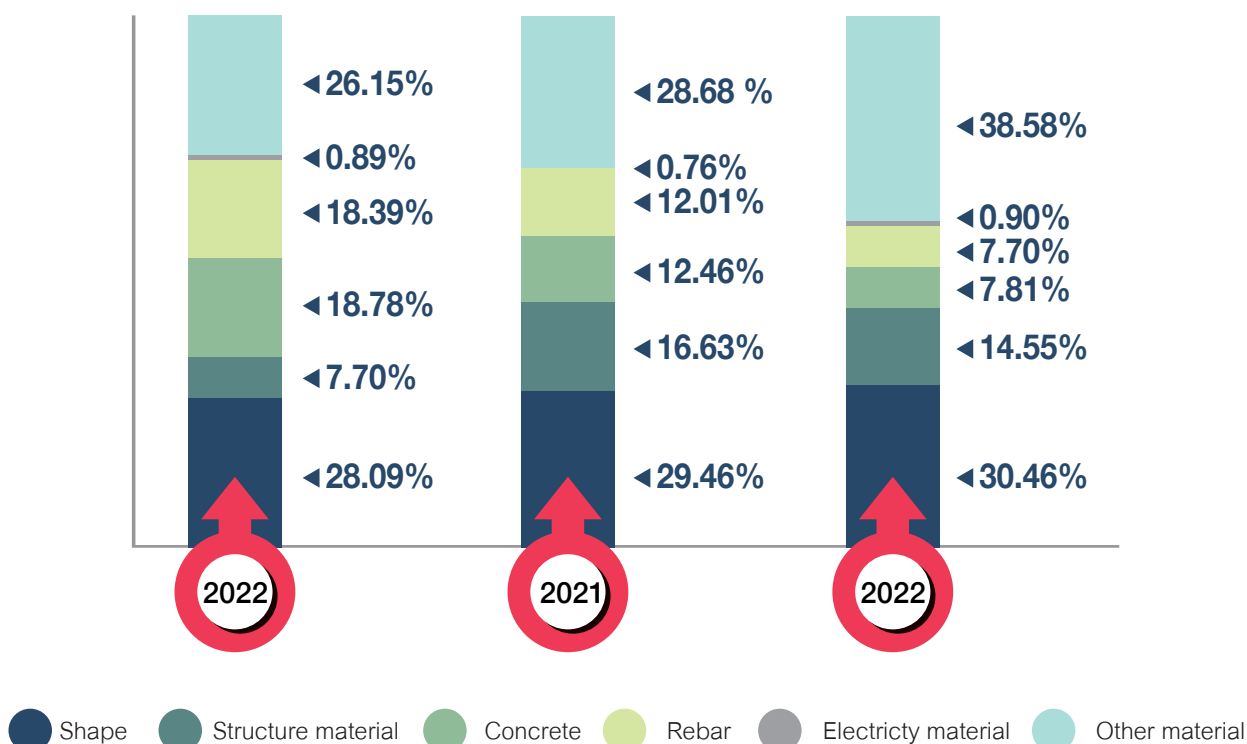
2. After the Company signs contract with clients. The purchase order of materials is made directly from manufacturers and through distributors. Procurement of materials from abroad is done only for steel or certain materials which the clients have specifically identified and could not be sourced in Thailand. Procurement is done through Procurement Department of the Company in accordance with the process and allocated budget cost, with comparisons made in terms quantity, price, and the ability to deliver on time between different suppliers.

3. In every delivery, the Company's Quality Control Division (QC) and the client's representative will inspect the quantity and quality of the materials in accordance with the client's requirements before use in the production process.

4. Consumable and other materials, the Company will plan the usage according to the construction phase and will keep stocks only for use as work scheduled requirement. By this method, it could help the Company reduce the procurement with large quantities of other materials and consumable. Also shall to prevent lose or damaged from any deteriorated.

In addition, the management will regularly monitor the construction budget cost of projects in order to have efficient costs with good qualities materials. During the past few years, the Company's cost of raw materials is approximately 30% of the total cost. And also, most of the projects are construction and installation services for Structure Mechanical and Piping system. The main Contractor will be providing main raw materials, which are various steel products. The Company has to process those materials and to be installed at the construction site. Therefore, the Company has duty to procure only other related raw materials such as structural steel, rebar, welding wire and gas (together with various materials and tools used for welding steel), materials for electrical work, painting products and other consumables, etc., while civil engineering construction services The main raw materials used are Pre-mixed concrete, stone, sand, rebar, etc. While Civil engineering construction services, main raw materials used are concrete, stone, sand, rebar, etc.

Procurement value of material and consumable for construction service of 2020 - 2022

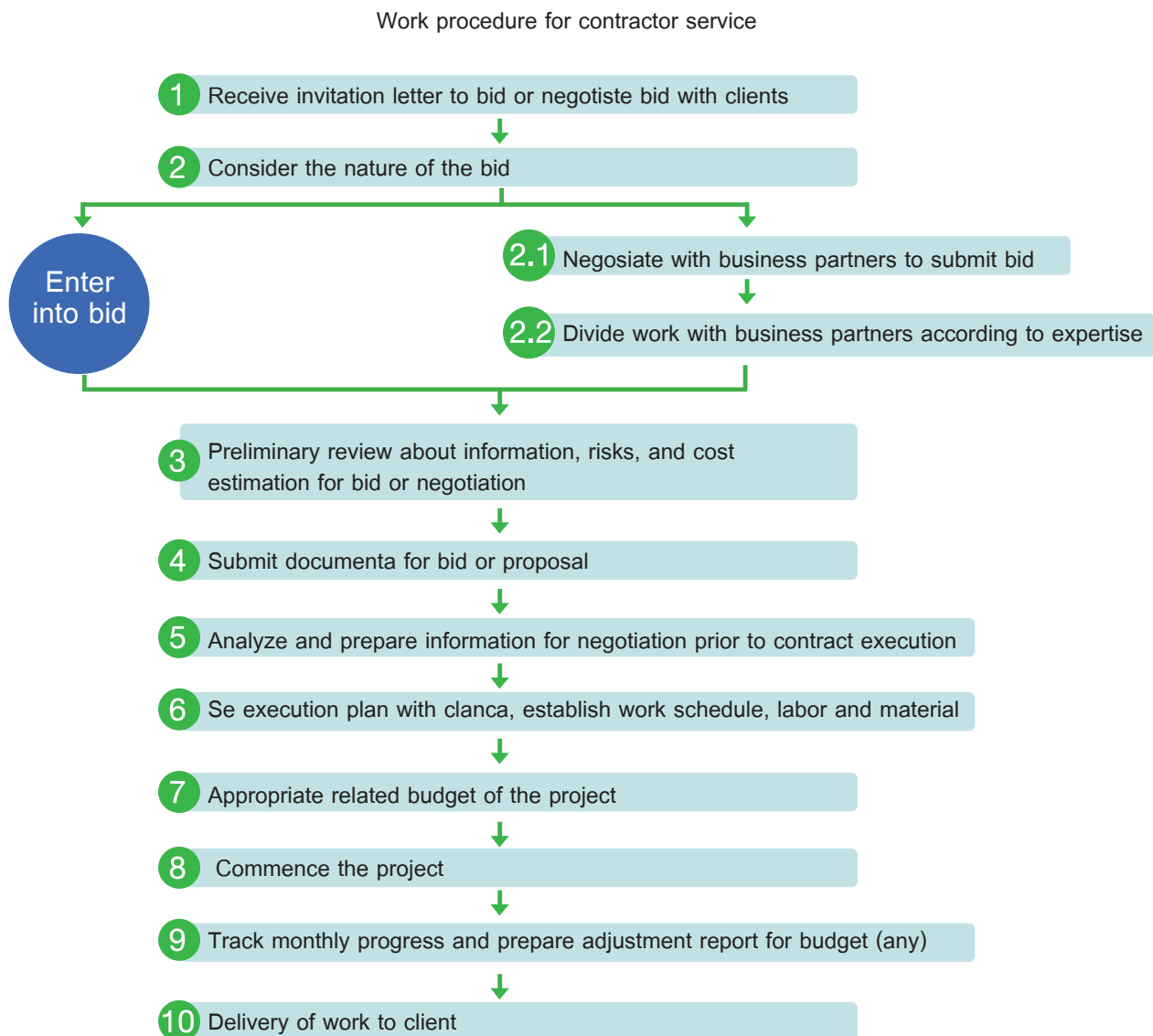


Recruitment of Labor

The Company's policy is to employ outsourced labor, namely those in civil construction and general construction such as paint, steel fabrication, and insulation. Outsourcing is a means to achieve lower labor costs as compared having an in-house unit, which would incur more expenses relating to salaries and benefits. The Company has engineers and control teams serving as full-time personnel, having had trainings and permits from the Council of Engineer as inspector engineer, to monitor and control all phases in the operation. The Company then employs outsourced labor to reduce costs and issues on labor quality.

In labor outsourcing, the Company will consider from experience and business profile especially from similar projects, quality of construction work, punctuality in project delivery, as well as readiness in terms of financial position. Moreover, the Company has set up a supplier list database to avoid reliance on any particular supplier.

Work Procedure



Industry and Competition

Construction market and competition

The overall of the construction industry in 2022 faced with many risk factors. It resulted to the higher costs in terms of transportation costs and construction material prices. Especially, main factor is the war between Russia and Ukraine that pushed up the price of oil and important construction materials, such as steel, to increase dramatically. However, Thailand's economy of 2022 begins to recover from the epidemic of COVID-19. And is likely back to normal situation same as before COVID-19 epidemic duration, due to the increasing of energy demand and tourism sector with has been increasing tourists entering to the country. As a result, the gross domestic product (GDP) grew at 2.6% per year, an improvement from 1.5% per year in 2021*, with the construction business still tending to gradually recover. The main driver of investment was from large-scale government projects. Especially projects related to the Eastern Economic Corridor (EEC). For example, Laem Chabang Port Phase 3 Project, Maptapud Industrial Port Development Project Phase 3, and private investment under the government's campaign of reducing carbon dioxide emissions and switch to more clean energy, etc. Moreover, the competition of construction industry for the oil, gas and petrochemical

industries, which are main target customers of the Group, is still high level. However, the projects on hand of the Group have completed and delivered to customers with quality and on time. As a result, 2022, the group has been consistently recognized and trusted by customers. This could be shown by the increasing of new number of construction project contracts from main contractors. Both contract signed during the year 2022 and existing projects on hand which have increased the scope of construction works. For example, Clean Fuel Project and PTTLNG Receiving Terminal Project, and Olefins I-4/2 Modification for Propane Feedstock Project.

In summary, the total value of contract projects for 2022 of the Group totaling of Baht 1,337 million. Together with, the operating of construction works of other projects on hand lead the Group's revenue has grown significantly, and reaching a new high totaling of Baht 3,135 million, which is considered the highest since the business established.

Source: *Office of the National Economic and Social Development Council (NESDB)

Market sharing in construction sector

Revenue from construction companies of listed on the Stock Exchange of 2022

Construction companies name		Revenue (Million Baht)	Portion (%)
ITD	ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED	67,833.32	35.13
STEC	SINO-THAI ENGINEERING AND CONSTRUCTION PUBLIC COMPANY LIMITED	22,006.03	11.40
CK	CH. KARNCHANG PUBLIC COMPANY LIMITED	19,437.84	10.07
NWR	NAWARAT PATANAKARN PUBLIC COMPANY LIMITED	13,247.19	6.86
UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION PUBLIC COMPANY LIMITED	11,328.98	5.87
PLE	POWER LINE ENGINEERING PUBLIC COMPANY LIMITED	8,228.32	4.26
TTLC	TTCL PUBLIC COMPANY LIMITED	8,491.94	4.40
CNT	CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED	5,387.01	2.79
SYNTEC	SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED	5,146.84	2.67
SQ	SAHAKOL EQUIPMENT PUBLIC COMPANY LIMITED	3,711.79	1.92
PREB	PRE-BUILT PUBLIC COMPANY LIMITED	5,800.02	3.00
TPOLY	THAI POLYCONS PUBLIC COMPANY LIMITED	5,282.96	2.74
TRC	TRC CONSTRUCTION PUBLIC COMPANY LIMITED	3,373.02	1.75
STPI	STP&I PUBLIC COMPANY LIMITED	3,883.09	2.01
SRICHA	SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED	1,593.03	0.83
CAZ	CAZ (THAILAND) PUBLIC COMPANY LIMITED	3,137.81	1.63
BJCHI	BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED	2,738.01	1.42
SEAFKO	SEAFKO PUBLIC COMPANY LIMITED	579.25	0.30
PYLON	PYLON PUBLIC COMPANY LIMITED	1,157.73	0.60
UEC	UNIMIT ENGINEERING PUBLIC COMPANY LIMITED	710.80	0.37

Construction market trend

The outlook of Thai economy of 2023 is expected to expand in the range of 2.7% - 3.7%. Average inflation in the range of 2.5 - 3.5%, with important supporting factors and drivers from many sectors. Such as the tourism sector, domestic consumption sector, and private investment sector. Including the government's large-scale infrastructure investment, especially, projects that support the Eastern Economic Corridor (EEC) which targets investment during 2023 - 2027 totaling of Baht 2.2 trillion (an increase from the EEC project in the first phase of 2018 - 2022, which has already approved investment in August 2022. totaling of Baht 1.8 trillion). At present, four main big projects already signed contracts such as the high-speed rail project connecting three airports between Suvarnabhumi, U-Tapao, and Donmuang, Map Ta Phut and Development Laem Chabang Port Project Phase 3 and U-Tapao Airport Development Project. Among of those projects expected to complete within 2025 onward. In conclusion, all these projects are expected to be the main supporting project to boost opportunities in various industries and regional investment.

In addition, there are important issues related to climate change that have long-term effects on the environment. The Government by the Ministry of Energy has prepared “National Energy Plan” (National Energy Plan 2022), including 5 energy plans together consisting of 1. Thailand Power Development Plan (PDP), 2. Alternative Energy Development Plan (AEDP 2018), 3. Energy Efficiency Plan (EEP), 4. Natural Gas Management Plan (GAS Plan), and 5. Plan Fuel management (Oil Plan) in line with the 20-year national strategy (2018-2037). This is to support the development plan which towards to a low-carbon economy (Neutral-Carbon Economy) with a goal to achieve net-zero carbon emissions by 2050 and net-zero GHG emissions by 2065. With under the Energy Policy and Planning Office (EPPO) as the planner, which consists of the following main points:

- Electricity: increase the proportion of new electricity generation with the proportion of renewable energy (RE) is not less than 50%, to comply with the trend of lower RE costs. Together with, the cost of the energy storage system (ESS) considering. And not increasing the long-term cost of electricity generation as well.
- Natural gas: focus on liberalization and procurement to create stability for the country’s energy system. And import of liquefied natural gas (LNG) to promote Thailand as a Regional LNG Hub.
- Oil: the transport energy plan should be adjusted and consider transition management. To create a balance between biofuel users (Bio Fuel) and electric vehicles (EV).
- Renewable energy and energy conservation: promote production and renewable energy in every sector and increase the efficiency of energy use in all sectors as well.

However, from the above issues lead to the affecting in various regulatory changes which going to be effective during the year 2023 – 2024. The various industrial sectors need to develop or improve different production processes which are following;

1. Manufacturing sector requiring large factories (such as power plants of 10 MW or more, steel factory, oil refineries, cement plants, paper factory, acid production factory, waste incinerators and glass plants, etc.) must install special tools or equipment CEMS (Continuous Emission Monitoring Systems) effective from 10 June 2023. To control and monitor air emissions from Real-time factory chimneys, with new factories having to complete the CEMS installation before commencement of business. and the old factory by 9 June 2024.

2. The automotive sector has restructured the excise tax on vehicles to reduce greenhouse gas emissions. BEV Electric Vehicle Subsidy Measures and Annual Tax Reduction for BEV Electric Vehicles.

3. Energy and environment sector;

- Adjustment of power thresholds by increasing electricity generation from renewable energy and reducing the purchase ratio of electricity from fossil fuels (PDP Rev.1) during the years 2021 - 2030 to support renewable energy plants (solar, biomass, biogas and waste).
- Petrochemical Industry Investment Support Plan Phase 4 (2022 - 2026) to create added value for petrochemical products to support the transition to a circular economy.
- The European Union (EU) announced the Carbon Border Adjustment Mechanism (CBAM) by requiring importers to report greenhouse gas emissions in the production of 9 products. These include iron and steel, aluminums, cement, fertilizers, electricity, organic chemicals, plastics, hydrogen and polymers (volume-dependent carbon charges), greenhouse gas emissions of products covering indirect carbon emissions (indirect emissions, such as the use of electricity in the production process) by starting a transition period to test data reporting during 1 January 2023 – 31 December 2026. And fully enforced from January 1, 2027 onwards. It is expected that CBAM will increase the production cost of Thai products by adjusting the production process to be in line with the aforementioned criteria.
- The United States proposed a Clean Competition Act (currently pending Senate committee) that includes carbon pricing for domestically produced goods (effective 2024) and carbon border measures. Adjustment Mechanism: US-CBAM) for imported goods. such as petroleum, petrochemicals, fertilizers iron and steel, aluminum, glass, and pulp and paper (effective 2026) in order to achieve net zero emissions by 2050.
- The Thai Industrial Standards Institute (TIS) expands Euro 5 emission standard to cover trucks, buses, pick-up trucks and small cars (effective 1 January 2024). To control emissions and reduce particulate matter (PM 2.5) that affect health. The adjusting the above criteria will increase the cost burden for car manufacturers who must develop products to meet the specified standards.

- The Department of Industrial Works prepares to prohibit the use of Hydro-Chlorofluoro methane (HCFC-141b) in the industrial sector for the production of spray foam (effective 1 January 2024) by replacing it with Hydro-Fluoroolefins (HFOs) which do not destroy the ozone layer. This is to preserve the environment reducing global warming and in line with Thailand's goals to reduce greenhouse gas emissions by 40% by 2030.

In conclusion from all of the above information. This is an opportunity to compete in the construction industry as well as the business group to participate in the bidding of various projects that are underway and that will happen in the future.

Source: *The Eastern Economic Corridor Policy Committee / Ministry of Energy.*

Natural gas management plan 2018 - 2037. Office of Energy Policy and Planning October 2020. Ministry of Energy.

Bank of Ayudhya (13 January 2023), Thai business and industry trends 2023 - 2025.

<https://www.krungsri.com/th/research/industry/summary-outlook/industry-outlook-2023-2025>

"Oil Plan and natural gas management plan", in the public sector, Energy Institute for Future Industry.

"Announcement of the Office of the Prime Minister regarding the announcement of the national reform plan (revised edition)" (2021, 23 February). Royal Gazette. Volume 138, Special episode 44 Ngor, page 1.

"Open "National Energy Plan 2022" to push Thailand carbon free", Kanyat Butdee, 30 July 2022, <https://www.bangkokbiznews.com/business/1017753>.

"Thailand's Economic Conditions in the Fourth Quarter of 2022 and Outlook for 2023", Macroeconomic Strategy and Planning Division, press release on February 17, 2023.

Projects valuation of Backlog as at 31 December 2022

Project	Nature of Work	Type of Work	Start - Expected Completion	Project Value (MB)	Project Progress (%)	Revenue recognized (MB)	Backlog (MB)
1 PTTLNG Nong Fab LNG Receiving Terminal Project. (Electric works) ^{1/}	Sub Contractor	SMP	Aug 2019 - May 2022	84.34	94.42	79.63	4.71
2 PTTLNG Nong Fab LNG Receiving Terminal Project (Package 2) ^{1/}	Sub Contractor	Civil	Jul 2019 - Jun 2022	882.78	84.55	746.39	136.39
3 Thai Oil Clean Fuel Project	Sub Contractor	Civil	Nov 2019 - Aug 2023	950.49	80.76	767.62	182.87
4 Thai Oil Clean Fuel Project	Sub Contractor	Civil	Nov 2019 - Aug 2023	446.35	68.12	304.07	142.28
5 Thai Oil Clean Fuel Project	Sub Contractor	Fab and Other Service	May 2020 - Jun 2023	831.77	71.30	593.08	238.69
6 Thai Oil Clean Fuel Project	Sub Contractor	SMP	Oct 2020 - Apr 2024	1,777.03	49.54	880.40	896.63
7 PTTLNG Nong Fab LNG Receiving Terminal Project BOP Steel Structure, Equipment Installation Work and LNG Tank Steel Structure Material Supply ^{1/}	Sub Contractor	Structure and Mechanical	Jun 2020 - May 2022	547.92	95.84	525.14	22.78
8 PTTLNG Nong Fab LNG Receiving Terminal Project Jetty Top Side Piping Work ^{1/}	Sub Contractor	Piping	Jun 2020 - May 2022	1,006.48	88.29	888.61	117.87
9 Olefins I-4/2 Modification for Propane Feedstock Project	Sub Contractor	General Construction	Jun 2021 - Feb 2023	830.57	77.43	643.08	187.49

Projects valuation of Backlog as at 31 December 2022

Project	Nature of Work	Type of Work	Start - Expected Completion	Project Value (MB)	Project Progress (%)	Revenue recognized (MB)	Backlog (MB)
10 PTTLNG Nong Fab LNG Receiving Terminal Project (28" Interconnection Pipe Line work) ^{1/}	Sub Contractor	Piping	Sep 2021 - Sep 2022	237.21	59.34	140.75	96.46
11 PTTLNG Nong Fab LNG Receiving Terminal Project (Temporary Seawater Line work for Early Gas Send Out work) ^{1/}	Sub Contractor	Structure and Mechanical	Sep 2021 - May 2022	154.43	62.50	96.52	57.91
12 Ultra Clean Fuel Project (Steel Structure Fabrication package 1)	Sub Contractor	Fab and Other Service	May 2022 - Apr. 2023	274.79	63.49	174.45	100.34
13 PTTLNG Interconnecting Pipeline Project (Piping Fabrication and Erection Work)	Sub Contractor	Structure and Mechanical	Jun 2022 - Feb 2023	184.52	24.55	45.31	139.21
14 PTTLNG Nong Fab LNG Receiving Terminal Project (Jetty Control Room) ^{1/}	Sub Contractor	Structure and Mechanical	Jun 2022 - Dec 2022	169.07	84.08	142.15	26.92
15 New Hydrogen Manufacturing Unit (HMU-2) Project (Steel Structure Fabrication)	Sub Contractor	Fab and Other Service	Sep 2022- Mar 2023	99.91	24.34	24.32	75.59
16 Other projects	Sub	Fab and Other		88.17	95.03	83.79	4.38
Total	Contractor	Service		8,565.83		6,135.31	2,430.52

Note: ^{1/}On the deliver works and final settlement with main contractor, and the process finished within 31 March 2023.

Group Structure

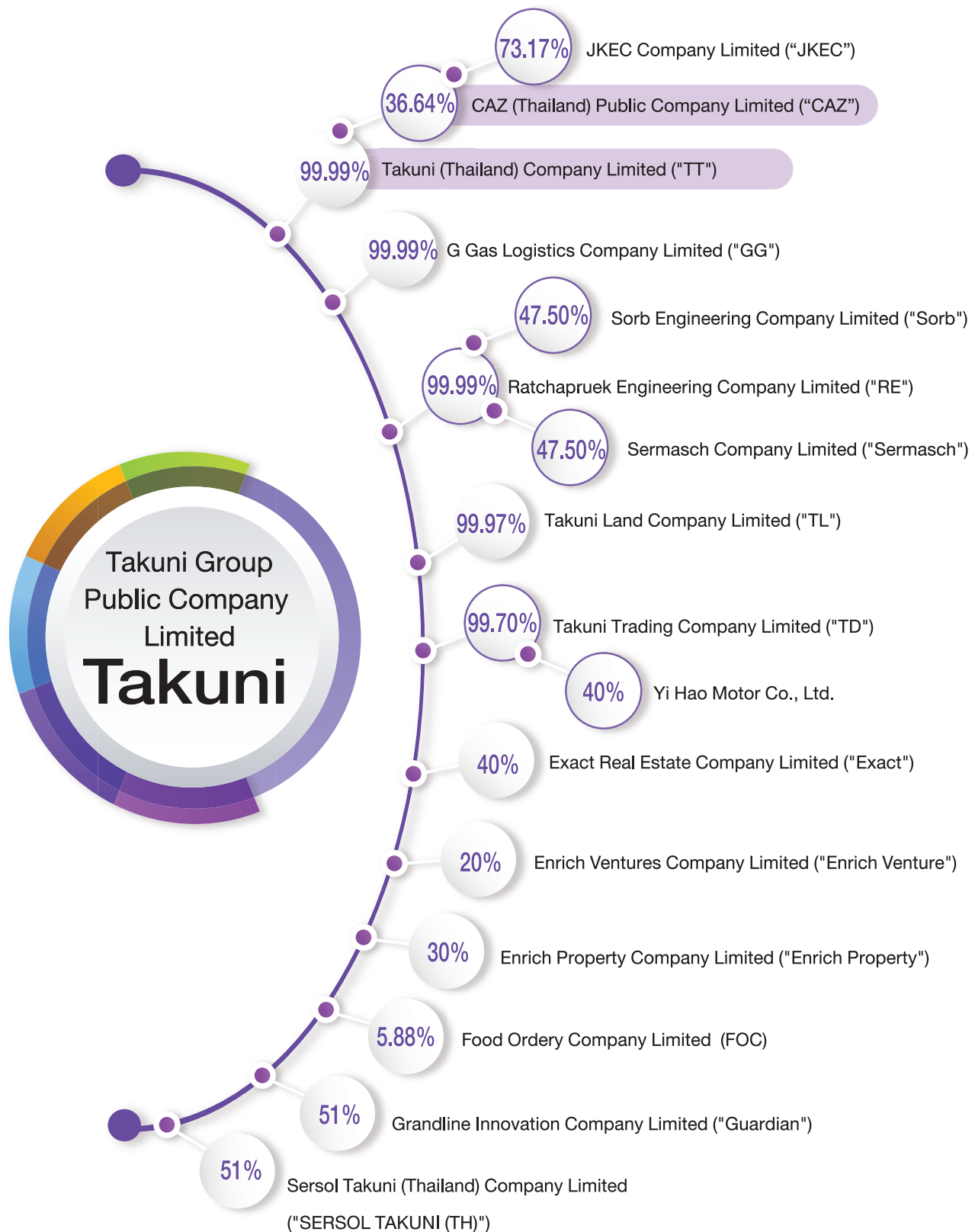
CAZ invested in a subsidiary, JKEC Company Limited (JKEC), it was established on 29 January 2016 with initial registered of capital of THB 2.00 million (20,000 shares with a par value of THB 100 per share). Moreover, on 1 October 2019, JKEC registered capital increase from THB 4,100,000 (41,000 shares with a par value of THB 100 per share) to THB 10,100,000 (101,000 shares with a par value of THB 100 per share). CAZ keep the portion of investment in subsidiary companies at the rate of 73.17 percent by investing in 43,902 additional ordinary shares of JKEC with a par value of THB 100, totaling THB 4,390,200. As at 31 December 2022, the Company's group structure is as follows.



Business Relationship with Major Shareholders as at 31 December 2022

Major shareholders are divided into

1. Executives holding 15.08 percent of paid-up capital
2. Takuni (Thailand) Company Limited, subsidiary of Takuni Group Public Company Limited, holding 36.64% of paid-up capital, with details on TAKUNI's group structure as follows;



Operations of companies in the Takuni Group Public Company Limited group

Company	Business
Takuni (Thailand) Company Limited	Automobile gas installation and gas piping system construction
G Gas Logistics Company Limited	Transportation
Ratchapruet Engineering Company Limited	Engineering safety testing service
Takuni Land Company Limited	Property Development
Takuni Trading Company Limited	Electric motorcycles Manufacturing and Distribution
Exact Real Estate Company Limited	Property Development
Sorb Engineering Company Limited	Sales and installation of tools and machinery
Sermasch Company Limited	Repair and Maintenance of tools and machinery
CAZ (Thailand) Public Company Limited	Construction service for clients in the oil, gas and petro chemical industry
JKEC Company Limited ("JKEC")	Civil and foundation construction service
Yihao Motor Co., Ltd.	Manufacturer and assembly electric motorbike
Enrich Ventures Company Limited	Real Estate Development Business
Enrich Property Company Limited	Real Estate Development Business
Food Orderly Company Limited	Food Delivery Business
Grandline Innovation Company Limited	Human Resources Business
Sersol Takuni (Thailand) Company Limited	Business of Selling and Distributing Electric Vehicles

CAZ retain its status as TAKUNI's subsidiary.

Preventive Measures on Business Competition Between TAKUNI Group and the Company

Business operations of TAKUNI Group and the Company may seem similar in the provision of construction service. However, the businesses of both parties differ in terms of expertise and standard of work. Thus, clients would decide to engage the services based on suitability to the job.

CAZ (Thailand) Public Company Limited operates its business as construction service provider with its clients being large operators in the oil, gas, and petrochemical industry. This requires experience, emphasis on standards of raw materials, controlled manufacturing process, teams of engineers with expertise and understanding in various products able to advise clients and teams of craftsmen standard-certified for welding various types of products, enabling the Company to ensure high quality services with quality control exercised in every production and installation process. In addition, the Company received certificates of standard from renowned organizations such as ASME and NBIC, with regular checks every 3 years, resulting in high cost of service.

Takuni (Thailand) Company Limited (TT), which is TAKUNI's subsidiary, like CAZ, also operates its business in construction service. However, the scope of construction business is limited to LPG pipe construction system such as shopping centers, hospitals, and restaurants. In addition, the standards regarding construction, raw materials, and labor quality are at a level as required by law. As such, TT is not able to deliver standards comparable to CAZ due to limitations such as expertise other than in LPG pipe system, engineers' capabilities, and specialized labor qualifications.

However, should TAKUNI Group plan to engage the services of CAZ or CAZ's subsidiary in the future in any matter, TAKUNI and CAZ will consider market prices, normal terms of trade, and appropriateness of the transaction. In such case, The Audit Committee and internal auditor of both TAKUNI Group and CAZ will review such related party transaction, disclose information to the public, and proceed in accordance with the regulations on the matter.

Related Party Transactions Which May Occur in the Future

Related party transactions between the Company and TAKUNI Group in the future, in case of normal business transactions with normal terms of trade, would be done in accordance with related party transaction review measures as approved by the Board of Directors in compliance with the Securities and Exchange Act. The agreement shall be strictly adhered to, and pricing and terms

shall be clearly and fairly specified, resulting in no transfer of benefits. In case that the Audit Committee has no expertise in the related party transaction currently under consideration, the Company will arrange for a person with knowledge and specialized expertise such as the auditor or independent asset appraiser to provide opinion on the related party transaction, to support the decision of the Board of Directors or shareholders (whichever may be the case). This is to ensure that such transactions will not constitute any transfer of benefits between the Company or potentially conflicting persons, but are for the greatest benefit of shareholders. The Company will also proceed in accordance with the regulation with regards to disclosure of information and guideline for listed companies on related party transactions.

Shareholders Structure

The Company has registered capital of THB 147,000,000 with 293,999,752 ordinary shares at a par value of THB 0.50 per share.

The top 10 names of shareholders which appear on the list of shareholders as at 17 March 2023 , as following;

No.	Shareholders name	Number of share	%
1	Takuni Group ¹		
	Takuni (Thailand) Co., Ltd.	107,728,950	36.64
	Total Takuni Group	107,728,950	36.64
2	Mr. Kobkhun Tienprecha	29,300,000	9.97
3	Mr. Chung Sik Hong	28,689,740	9.76
4	UBS AG LONDON BRANCH	26,861,435	9.14
5	Mr. Wang Youp Jhee	8,152,450	2.77
6	Mr. Yeong Cheol Choi	7,497,560	2.55
7	Thai NVDR Company Limited	3,484,471	1.19
8	Mr. Kasemsak Techaviratchon	1,316,600	0.45
9	Ms. Pakchata Manothai	1,209,500	0.41
10	Ms. Nita Treeweeranuwat	1,205,020	0.41
Total		215,445,726	73.28

Remarks : ¹ Takuni (Thailand) Company Limited held by Takuni Group Public Company Limited at 99.99% of total amount of share capital.

Dividend Payout Policy

The Company has a dividend payout policy rate of no less than 40% of net profit from the Company's separate financial statements after the deduction of corporate income tax and legal reserve, and such payment shall not significantly impact the Company's normal business operations. However, the Company may consider dividend payout which deviates from the aforementioned in line with the Company's operating results, financial position, liquidity, business plan, other necessity in the future, and other factors related to management as the Board of Directors and/or shareholders deem fit. Such proceedings must be of greatest benefit to shareholders.

Dividend payment for the Company operating of 2020 – 2022 are follows;

Year	Statement of comprehensive income (Separate financial statements)	Dividend rate (Baht per share)	Amount (Baht)	Dividend payout Ratio ^{3/} (%)
2022 ^{1/}	191,511,869	0.2000	58,799,950	30.70
2021	133,004,631	0.1600	47,039,960	36.11
2020 ^{2/}	56,061,067	0.0478	13,377,770	25.12

Note:
^{1/} Propose to the Annual General Meeting of Shareholders of 2023 for consideration and approval on 21 April 2023.
^{2/} Dividends are paid into 2 forms: by cash at the rate of 0.02278 baht per share and by stock dividend (20 existing shares: 1 new stock dividend). Calculated as a dividend rate of 0.025 baht.
^{3/} The dividend payout ratio is calculated from the amount of dividends paid in the year.
Divided by the company's net profit after deducting legal reserves.



Risk Management

Risk Factors

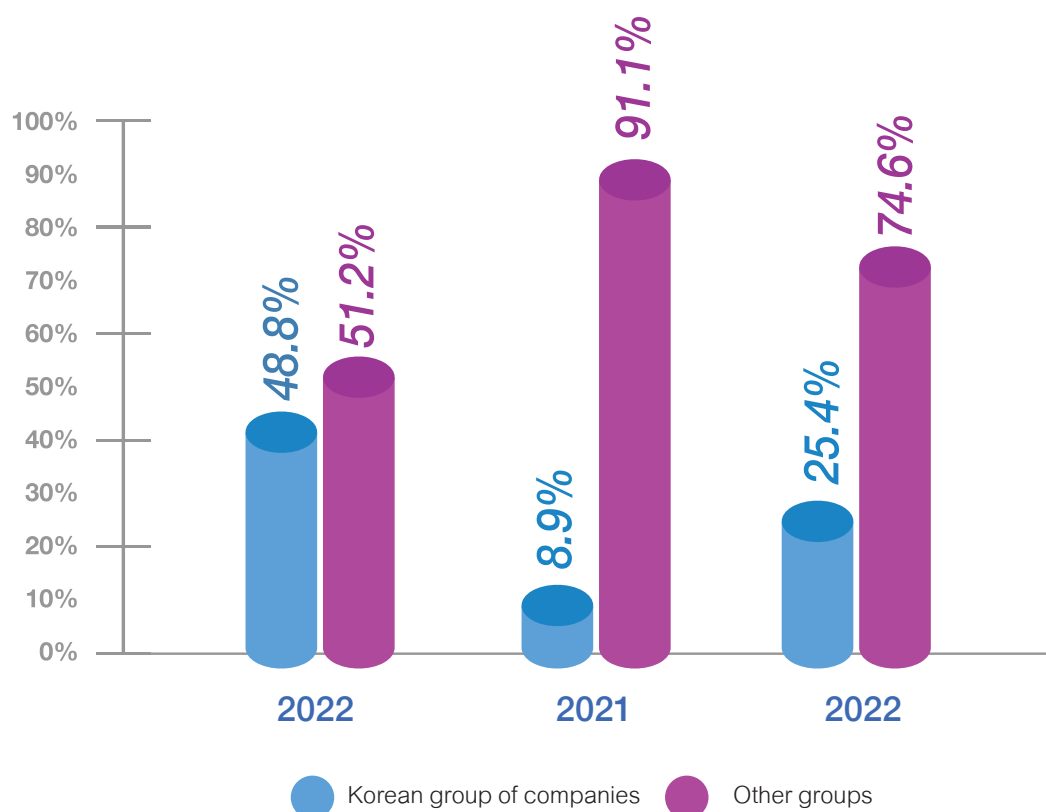
Risk factors relating to the Company's business operations which may significantly impact the Company's operating results and financial position, as well as return on investment in the Company's common shares can be summarized as follows.

Management Risk

1. Risk from Dependence on Executives

In the early stage of operations, the Company relied on credibility of executives in securing projects, most of contracts are subcontracted from clients. A group of key executives, namely Mr. Chung Sik Hong, Mr. Yeong Cheol Choi, and Mr. Wang Youp Jhee, who possess the experience, expertise, and credibility acceptance by clients in the oil, gas, and petrochemical industry as well as Korean clients. However, in past many years up to present, the Company is able to continuously secure large projects from renowned clients as the Company has taken time to build on knowledge, technology, quality standards, and the overall composition of the Company, to enlist itself in clients' vendor list to secure its position as main contractor for PTT Group, Thai Oil, Bangchak Public Company Limited, and other companies. In addition, the Company secures subcontracted projects recommended by former and existing clients who have witnessed the Company's success in project delivered, resulting in the Company being able to secure both types of project without having to rely on the reputation of certain individuals like it did in the past.

Moreover, since 2020, the Company currently has had an increasing portion of clients of other nationalities to reduce dependence on Korean clients, with details on revenue contribution by client group as follows.



Nonetheless, the Company is aware of the risk that changes in the key group of executives may result in loss of Korean clients and prospective clients who believe in the key executives. To reduce such risk of dependence on executives and foster sustainability for the Company, the Company entered into employment contracts with key executives, namely 1. Mr. Chung Sik Hong, 2. Mr. Yeong Cheol Choi, and 3. Mr. Wang Youp Jhee with renewal of the contract for a duration of 5 years after the Company's listing. In addition, the Company prepared succession plans for key positions to reduce risk of individual dependence by specifying responsibilities, position, nature of the job, and names of persons to fill in the position, as well as placed emphasis on the development of personnel by supporting the attendance of training courses and set a policy on recruitment of capable individuals to reduce dependence on executives.

As at 31 December 2022, the Company has 477 employees, excluding executives, divided into the Construction Department and Engineering Department with a total of 448, comprising of 431 Thais and 13 Koreans, 3 Filipinos, 1 Indian and other departments with a total of 29 employees, comprising of 26 Thais and 3 Koreans.

2. Operating Risk

2.1 Marketing Risk

The Company has main revenue from various construction projects which awarded contracts from both attending the auction with project owner in the energy, oil, gas, petrochemical and other businesses, including receiving work from the main contractors. As a result, the Company's revenue growth is fluctuating in accordance with being awarded the project from the completion and capability of winning award. Moreover, the target customer's investment policy, economic conditions within the industry, Government policies, and the country's economy at that time may also affect to the Company's revenue growth as well. Thus, the Company set a policy to manage risks and maintain continuity of revenue. In case, the Company fail to bid or new projects as planned, especially during economic slowdowns or high bid price competition, the Company's operating results may not be as planned.

Therefore, the Company has a risk management policy to maintain continuity of revenue. By thoroughly assess the market conditions and bidding strategies in order to mitigate the risk factors and have the abilities to achieve of winning awarded when attend the bid. Moreover, the Company keep ensuring the quality of projects and services performed for clients, such that they are accurate in terms of engineering, provide value for money, and timely, as well as offer construction warranty for a period of 1 year from construction completion. This is to create satisfaction and trust from clients, resulting in existing clients continuously utilizing the services of the Company, selecting the Company as a contractor for other projects, and recommending other clients to use the services of the Company.

2.2 Inaccurate Construction Cost Estimations Risk

Cost estimations are crucial in business operations as the Company will have to enter into a lump sum or provisional lump sum agreement with the predetermined price set at the award of the project bid. Cost evaluations and control are thus necessary to ensure conformance to the set budget and vital to the Company's profitability. Accurate estimations will allow executives to make efficient operating decisions and result in profitability. On the other hand, inaccurate estimations may result in the Company failing to secure projects from price quotes higher than competitors or having net loss from underestimated costs.

However, the Company is aware of such risk and has set guidelines on construction cost estimation, comprising of raw materials and product cost, subcontractor costs, personnel costs, as well as various production costs. Utilizing the experience and expertise of the engineering team, coupled with construction cost calculation database on various activities performed by the Company in the past and the integrated production control system, developed by the Company to control, analyze, and improve project costs to achieve efficiency and up-to-dateness in terms of material disbursements and engineer working hours in line with set goals, the Company is able to control its construction cost at a level similar in each year. Executives also hold monthly internal meetings to update the status of costs incurred in each project and update project costs each quarter. Each quarter, there may also be adjustments to the budget of projects which have passed the Indicative Target Cost (ITC) which reports the cost status of each project should there be increases or decreases to the cost. Risk from inaccurate construction cost estimation is reduced as a result.

2.3 Price Volatility of Raw Materials and Equipment Used in Installation Risk

Cost of raw materials and equipment are an important component of the Company's business operations, with key items being steel plates and copper wire. In case of significant changes to the price of these materials during project operations, the Company's profitability may be directly affected. Prices of construction materials vary in accordance with domestic and international market conditions. Construction Materials Price Index disclosed by the Bureau of Trade and Economic Indices, Ministry of Commerce indicates construction material prices in the past from 2016 - 2022 (Base year 2015 = 100) as shown in the following chart.



Source : Bureau of Trade and Economic Indices, Ministry of Commerce

The Company set a policy to reduce the risk of construction material price volatility by estimating construction cost before entering into a project bid. The information used for the consideration of such costs are obtained from the Company's internal database and information on past construction projects provided to clients. Moreover, the Company will plan and set materials price ahead by issuing Purchase Orders to vendors in advance to prevent any price adjustments. As a result, the Company is able to calculate cost of services with reasonably high accuracy and has felt little impact from the price adjustment of construction materials as the past.

2.4 Foreign Exchange Volatility Risk

The Company purchases raw materials, equipment, and machinery from overseas, especially welding consumable or steel plate certified for the Japanese Industrial Standards (JIS) and American Society for Testing and Materials (ASTM) imported from South Korea, Indonesia, Malaysia, and Japan. The Company, as a result, faces the risk of foreign exchange volatility which would impact project costs in case of depreciation in value of the Thai Baht, which would increase the value of imports and reduce profitability. Thus, the Company reduces this risk by analyzing the foreign exchange outlook before making purchases.

2.5 Labor Shortage Risk

The Company's construction service business relies on knowledgeable, specialized, and experienced personnel. The loss or shortage of these personnel accounts for one of the Company's risk factors which would affect the operations and competitiveness of the Company in the future.

The Company set a policy on personnel management by supporting employee development while fostering good relationship between all personnel. In the past, the Company's personnel turnover for lead engineers are relatively low, with key labor group in the operations being day laborers and project-based employees of a total of 1,550 people, which the Company would employ in accordance with the work load. Wage is set at a level comparable to the industry and payment is continuously done on time. Moreover, as the Company is located near Map Ta Phut Industrial Estate in Rayong province, the Company has access to a large group of labor living in the area, and recommendations through word of mouth from such labor groups. This resulted in the Company not being greatly affected in the recruitment of labor.

2.6 Project Delays and Inability to Make Timely Delivery of Work Risk

The Company may face risk of fines or burden of charges from making delivery of work past the deadline, which could arise from delays of the contractor or project owner regarding modifications to construction plan and installation, changes in the contract or terms of the contract during project operations, shortage of funding and liquidity of the project owner, or delays in material delivery from suppliers, resulting in the Company being fined or being responsible for additional costs not initially included.

However, the Company reduces such risk by implementing IT systems to perform checks in each step and progress of the project such as the SPCM system which is able to monitor operations from the receipt of materials from suppliers to assembly, spray paint, welding, and installation. As such, project managers are able to review the status of operations through such system. The Company also arranges for monthly meetings with executives to acknowledge the progress of every project, resulting in the Company being notified regularly and any issues which may arise being monitored and reported in a timely manner such that executives could advise on the issue. In the past, the Company has never been fined for any delay in delivery of work.

2.7 Safety Health and Environment Risk

The implementing of project construction might be affected to third parties in case of mistake events occurred. Whether in the form of danger from construction error posing damage to life and assets or environmental impact such as noise pollution, diffusion of dust from construction and collapse of surrounding building areas will not only be the cause of tainted reputation and credibility as a construction service provider, but may also lead to lawsuits being filed against the Company with significant damage relief.

The Company is aware of the importance of safety in the provision of services. As a result, personnel of all levels from executives to labor workers are trained to understand and consider safety in every step of operations such as the Department of Labor Protection and Welfare's training on work safety, specifying that safety professional officers inform new personnel of key safety information before commencing work, providing health check-up personnel welfare benefits, and hosting preliminary fire extinguishing and evacuation training. The Company believes that personnel who understand preventive measures and place emphasis on work safety will help reduce the impact to third parties. During period of 2021, the company received the international standards for occupational health and safety management (OH&S) (ISO 45000: 2018) in order to reduce waste accidental injuries and prevent the health deterioration of employees from work.

As for environmental impact regarding diffusion of dust particles, the Company conforms to the Occupational Safety, Health, and Environment Act. Moreover, the Company manages noise pollution by avoiding after-hours operations. However, should there be a necessity of operations which may create noise in the community, the Company will inform community members in advance so that such representatives can act as medium in creating understanding within the community.

2.8 Legal disputes Risk

The Company has been sued for a damage case by a company ("plaintiff") for breach of service contract in amount of Baht 18.31 million. The Company received a subpoena from the Civil Court on 30 November 2019. In this regard, the Company submitted a petition requesting and counterclaims on 27 January 2020. The Company sued to plaintiff seeking compensation of Baht 17.1 million for losses resulting from breach of service contract. The Court of the First Instance's judgement dated on 23 December 2020 considered that the termination from both parties have voluntarily terminated the contract since 27 September 2019. The Company has liable for payment of service contract to the plaintiff plus interest rate at 7.5% per annum starting from 3 November 2019 and the

plaintiff has to return advance payment to the Company. The remaining liability that the Company has to paid to plaintiff amounting to Baht 3.12 million. As a result, the Company has recorded the provision followed by the Court of the First Instance's judgement.

Subsequently, the Appeal Court announced the judgement dated on 30 November 2021 agreed with the Court of the First Instance. This case considered as the voluntarily terminated the contract which Plaintiff and the Company cannot claim damages to each other. Resulting to, the Plaintiff has to pay back money to the Company after off-setting the Company's liabilities, including, its interest according to the specified time. Currently, the plaintiff filed a request for permission to submit an appeal to the Supreme Court and a request for a stay of execution to the Supreme Court. The Supreme Court ordered permission on 24 August 2022 to suspend the execution of the Court of Appeal during the Supreme Court's order. There was an order to consider the plaintiff's petition for permission to file a petition on 28 March 2023. Therefore, the Company still recorded the provision with the amount according to the judgment of the court of first instance.

2.9 Risk from epidemic outbreaks

From the epidemic of the Covid-19 virus, it is a significant key point that greatly affects all sectors and causes lifestyles and operations in many businesses of changing or adjusting in order to continue to work. Therefore, the risk management to reduce the impact of the epidemic which might be occur again. The Company still maintains various measures to prevent the spread of infectious diseases, such as keeping the public operating areas clean. wearing a mask online meeting, etc.

3. Finance Risk

3.1 Debt Covenants Risk

The covenant of loans which the Company received from a commercial bank requires the Company to maintain its Debt to Equity Ratio at no more than 2 : 1 (two to one) from 2019 until the end of the loan term, and to maintain its Debt Service Coverage Ratio (DSCR) at no less than 1.2 (one point two) times throughout the loan term. The Company failing to adhere to such stipulation may impact the loan agreement whereby the commercial bank may cancel all loan credit and the Company may be suspended from refiling for a credit facility, and carry tainted records on adherence to loan conditions which will have an effect on new credit requests in the future. Therefore, the Company provides financial management and regularly assesses its ability to comply with financial maintenance conditions. Moreover, the Company apply for a waiver of the conditions of debt covenant with a commercial bank. When the Company found that trend those ratios might be not meet the conditions stipulated in the agreement for the financial statements for that period.

3.2 Risk of Failing to Receive Service Fees from the Contractor

In the case that the Company subcontracts from a private company, who is the main contractor, there exists the risk of the project contractor facing financial issues and not being able to pay the Company for its services, which could create significant impact to the Company's operating results and lead to the Company having to maintain cash flows from operations sufficient for its business. Thus, the Company put in place strict measures in the evaluation of credibility and financial position of the contractor, review of financial statements, and inquiring on the contractor's credit from partners before accepting to bid for a project. The Company also has a policy to only accept construction work from contractors with credibility and good financial status and not participate in bid for projects belonging to contractors with high risk.

3.3 Risk of Insufficient Working Capital and rising interest rates

The Company's business operations require a large amount of working capital, especially for large projects which may take an extended period of time to complete. Therefore, issues in the sourcing of financial support may pose an issue for the project as the terms of payment from the client as specified in the contract may not be consistent with the actual level of completion of the project, resulting in the Company receiving late payment compared to its investment. The impact on working capital would have to be mitigated by the sourcing of short-term working capital from commercial banks and financial institutions' credit lines, resulting in additional financial costs to the Company.

The Company is well aware of such issue, and has set protective measures by applying for sufficient credit line from commercial banks and financial institutions to increase the chances and liquidity in business operations and reduce the risk of losing the opportunity to accept new projects should the letter of guarantee credit amount exceed the credit line approved by commercial banks, as well as efficiently plan and manage the procurement and payment terms to suppliers.



Driving Business for Sustainability

Policy and goal for sustainability management

The Company's vision is *"To be a leader in Construction services with the most competitive capabilities and potential, playing a part in the steady and sustainable prosperity of Thailand"*, therefore, it determine to running business for the accomplish goals under basis of good and efficient operation. In order to have the effective growth which cover all aspects such the economic which be able to competition in the construction industry and provides the highest return according to the Company's goals. For the social responsibilities; such socities, environment, safety, and code of conduct for the business operation, the Company take into the awareness for all stakeholders such as customers, creditors and/or business partners, employee, shareholders, investors and financial institutions. Including, all communities near by the Company's factories and construction sites, etc. The sustainability strategies are as follows:

- In every work process of business operating, in order to comply with international standards and its responsible with caution performance and create the highest benefits to all stakeholders with equally. And to accordance with the laws and regulations of all relevant agencies. And transparency operation, supporting anti-corruption, and effectively of risks management in the Company.
- Determination of improving the quality of construction services to cover all requirement of target customers which leads to the creditably and creating the business value to the customers as well. Moreover, make its customers satisfaction by delivered construction works on spicific time which could be have a re-employment to create long-term growth business for the company.
- Concentration on the efficient resources used both reducing and controlling of the environmental impacts by encouraging employees to be aware of the importance of the climat change and environment. Including, the importance of safety in terms of health and environment for the prevention of accidents or illnesses, and damage to life and property which caused by work activities. Moreover, create benefits for the community and other agencies to improve the living and better social environment.
- Career and human resources delopment within the Company with providing the continually training to enhance their competence which are related to work efficiency and productivities according to the specified standards of works. Including, encouraging employees to have the career opportunities and stability in their work to comply with the principles of human rights and equality which are the drive of the sustainability ofh the Company in the long-term business.

Scope of Sustainability Report

This report is part of the annual report which have the objective to report the sustainability development. And the management processes' disclosure with results, both directly and indirectly. The sustainability is contributing to social responsibility in three aspects such economic, social and environment to comply with the significant matters which might be impact to all stakeholders. The scope of sustainability report is resulted from CAZ (Thailand) Public Company Limited and its subsidiary's operating from 1 January 2022 to 31 December 2022.

Impact management on stakeholders in business value chain

	Marketing and Sales	Construction process	Transportation/ distribution & Erection for work delivery	After sales service and Warranty of works
Stake holders	<ul style="list-style-type: none"> • Employers (project owners / main contractors) • Suppliers or Business partners (according to the specific qualifications by project owners) • Bidder partners (if any) • Competitors • Financial institutions 	<ul style="list-style-type: none"> • Employee / Executives • Directors • Employers (project owners / main contractors) • Suppliers or Business partners (both raw material sellers and subcontractors) • Financial institutions • Relevant government agencies • Community and society around the construction areas • Shareholders and investors. 	<ul style="list-style-type: none"> • Employee / Executives • Employers (project owners / main contractors) • Shipping companies (both domestic and international) • Inspection / testing service providers • Community and society around the construction areas • Relevant government agencies • Shareholders and investors 	<ul style="list-style-type: none"> • Employee / Executives • Employers (project owners / main contractors) • Financial institutions • Community and society around the construction areas • Relevant government agencies • Shareholders and investors
Relevant activities	<ul style="list-style-type: none"> • Study & analyze the project • Project design and planning • Negotiating prices with employers • Verify the terms of the contract conditions and sign contract with employers • Requesting financial assistance to support construction projects from financial institutions 	<ul style="list-style-type: none"> • Kick off meeting for projects, including planning manpower with all relevant construction departments • Submission of construction permit applications (if any) • Monitoring and manage budget control plans for the efficiency use of budgets • Price checking and comparing for the selection of qualified and suitable vendors / contractors • Ordering of raw materials / Lease of machinery and equipment / Procurement of subcontractors • Determine the delivery schedule of raw materials / works 	<ul style="list-style-type: none"> • Transportation with safety and have a efficiency • Erection and installation with safety and according to the standardization through the inspection process (QA&QC) together with the employers (Project Owners / Main Contractors) • Complete testing system (Pre-commissioning & Commissioning) until deliver works to the employer 	<ul style="list-style-type: none"> • Work guarantee to comply with the contract condition • Repairing, in case of defective construction works occurred within warranty period

	Marketing and Sales	Construction process	Transportation/ distribution & Erection for work delivery	After sales service and Warranty of works
		<ul style="list-style-type: none"> • Production processing of raw materials and steel products, including controlling the construction to be in accordance with the customer's engineering designs • Quality inspection (QA/QC) at every steps from process of raw material delivery partner to customer delivered 		
Relevant issues to sustainability	<ul style="list-style-type: none"> • Competitive fairness • Management and controlling budget costs efficiency • Corruption • Sufficient credit facilities to support the projects 	<ul style="list-style-type: none"> • Employees / Executives's experiences, knowledge, capability and expertise • Part of works or raw material delivery of suppliers and sub-contractors meet the quality and required with schedule • Effective budget cost control • Treatment with fairness and equitable to all stakeholders such as employees and suppliers • Sufficient working capital for the construction of each project • Good and appropriately incentive compensation and welfare to employees • Operating to comply with all relevant law and regulations • Occupational health and safety of all parties involved in the construction, including employees, subcontractors, customers and surrounding communities 	<ul style="list-style-type: none"> • Occupational health and safety of all parties involved in the construction, including employees, subcontractors, customers and surrounding communities • Safety environmental for community and society near by the construction areas • Operating to comply with all relevant law and regulations • Overall of returns according to the expected of budget 	<ul style="list-style-type: none"> • Responsibility for the quality and standardization of construction projects • Instruction manual transmission with including completely projects details according to customers' requirement • Letter of guarantee throughout the financial institution's performance guarantee period • Overall of returns according to the expected of budget

The Company's value chain starting with the prior of bidding, the Company will request documents relating to the bid from clients such as Term of Reference (TOR), criteria, and construction design to conduct studies into the project. Executives will delegate the study the information and conduct quantities take-off to the price estimation team to ultimately prepare a preliminary quotation. The take-off must be in terms of quantities and price per unit, until conclusion is reached, and would then be presented to the working team and executives for joint discussion on whether or not the Company would participate in the bid. Should the Company decide to participate, related parties would consider the bid price. In case the Company wins the bid, the Company will host meetings with relevant parties such as project consultant, engineering team, and executives, to set up a work plan. The

Company will then use the conclusion from the meeting to set up guidelines for construction plan and materials and equipment procurement, as well as labor sourcing, consistent with the work plan up to delivery of the project to clients.

The operating and constructing control, the Company invested in the utilization of information technology starting from raw materials process, quality control, inspection and monitoring, and project success monitoring at every stage of the manufacturing process through the use of bar code and GPS systems. From the procurement of the raw materials, the Company uses the Tools, Assets & Consumable Management System (TCMS) to control, manage and examine raw materials, tools and equipment. After raw materials serve as input to the structure and piping manufacturing process, the Structure Production Control System (SPCM) and Spool Tracking Management System (STMS) is used to follow-up on the progress and transfer the product through each process up to installation on-site for clients. Moreover, the Company utilizes the Welding Control System (CWCS) in the quality checks process to assist in the inspection of the works to ensure that the products are up to standard as required by clients. The four aforementioned systems assist the Company in ensuring precision, timeliness, accuracy, and prevention of delays. Including, the ability to deliver projects that meet customer's requirement with a standard and specified schedule.

Last, another important steps that the Company prioritizes is quality. Throughout the design, procurement and construction processes, the Company's Quality Assurance Division, which consists of specialized experts, monitor quality control by inspecting each process from the selection of engineers and welders who possess the qualifications and skillsets in accordance with the standard set by clients, as well as conducting tests to ensure quality of welders able to deliver products as required by each client. Welders who pass the aforementioned test would be awarded the WQT Certificate & Card Test, and would then be allowed to commence welding work. The work itself will be thoroughly examined in detail to ensure quality and safety before installation. The Company will evaluate the quality of construction works, including engineers and other relevant parties, in order to improve and develop the work process and quality of subsequent products.

In conclusion, as the production activities as mention above, the Company will concentration on the operating performance with Good Governance priciples. By concerining with responsbility to all stakeholders' demand to have the long-term sustainability growth.

The participation and practices towards with stakeholders

Stakeholders	Expectation and Key issues	Response	Participation channels
1. Customers / Clients - Project owners - Main Contractors (Employers)	<ul style="list-style-type: none"> Performing construction work with quality and completely in accordance with contracts and requirement Having personnel with experiences and capability, including, efficient and sufficient tools and equipment for each construction work 	<ul style="list-style-type: none"> Lets customers to visit the construction sites, together with allowing customers to participate in the inspection of every steps of production. From start until delivery of the work 	<ul style="list-style-type: none"> Document / Minutes of Meeting / Reports evidences, according to the requirements Meeting with project owners and customers (In case, work with main contractors) Telephone / e-Mail / Letters Websites
	<ul style="list-style-type: none"> Deliver consturction projects within specified schedule and guaranteed under contract conditions 	<ul style="list-style-type: none"> Attend meetings / coordinating with customers throughout the project duration period in every phase of construction to report work progression of project. For the customer's confidence that project construction works are on the target. Check the quality of the work with the customer and / or the project owner to ensure that the work meets the specified standards without any defects or damage and potential dangers in the future 	

Stakeholders	Expectation and Key issues	Response	Participation channels
	<ul style="list-style-type: none"> • Safety aware with supervised and closely monitoring to control and protect damage or impact during projects execution. 	<ul style="list-style-type: none"> • Construction service providers / subcontractors have knowledge and follow safety rules during work • Collecting safety statistics for every projects 	
2. Business Partners <ul style="list-style-type: none"> - Suppliers of raw material - Subcontractors 	<ul style="list-style-type: none"> • Delivering quality materials/ products on time • Consistently repeat purchases/ services • Payment of goods and wages within the specified period 	<ul style="list-style-type: none"> • Inspected to raw materials and products in accordance with the quality and standards specification • Equality practice to all business partners • Price comparable with transparent and be able to check 	<ul style="list-style-type: none"> • Report / Purchase Orders or Hiring Orders document • Attend the meeting with suppliers and subcontractors • Telephone / e-Mail
3. Employee <ul style="list-style-type: none"> - Monthly employee - Daily workers 	<ul style="list-style-type: none"> • Receiving and practical with rights and equality • Getting the appropriate compensation and welfare • Work safety • Career path opportunity and stability work 	<ul style="list-style-type: none"> • Complying with labor laws with regard to human rights principles • Provide channels for complaints in case of unfairness • Appropriate compensation and welfare providing • Conducting the operations with effective and understanding safety for employees including rules regulations in its entirety • Continuous training and development to have the efficiency work 	<ul style="list-style-type: none"> • In-house meetings, for the employees' participate to comment / response to management • Training activities on safety issue before starting work and safety morning talk twice a week to ensure that employees understand and aware of work safety matter. • E-mails • Company's announcement • Clarification matters through supervisors
4. Community residents <ul style="list-style-type: none"> - People in the community - Drivers or road users 	<ul style="list-style-type: none"> • Supporting to community and environment for a good quality of life • Transporting with safety on roads and does not cause environmental pollution 	<ul style="list-style-type: none"> • Promote the occupation of people in the community • Tools and equipment using for the production which are environmentally friendly and do not cause any disturbance to community 	<ul style="list-style-type: none"> • Organizing meetings through construction supervisors • Public signs and announcement
5. Shareholders and investors	<ul style="list-style-type: none"> • Sustainable growth and continually stable of the Company • Good returns • Company information is presented by accurately, completely, promptly and equally. 	<ul style="list-style-type: none"> • Commitment to the honesty and ethics and determined to do best of its ability operations • The Company's communicate information to all stakeholders accurately, quickly and completely in according to their beneficial • Comply with rules and regulations of the Securities and Exchange Commission and Stock Exchange of Thailand. 	<ul style="list-style-type: none"> • Disclosure the Company's reports and information through the Stock Exchange of Thailand channels • E-mail • Web site

Environmental aspect sustainability management

Environmental Policies and Practices

The company places the priority on social responsibility of environmental protection by implementing and controlling to strictly comply with laws related to environmental protection. In order to, reducing and avoiding the impact of environmental, especially, in the process of manufacturing, assembly and construction services. And to improve working conditions in the workplace, employees' healthy, and environment surround communities. During 2023, the Company is studying and planning to engage on the environmental management system to comply with ISO 14001:2015 as a standard for manage and control environment. In order to conduct of environmental management standard for the Company's processing work both in factories and construction sites. And considering to social and environmental impacts complaints as well, reference to Environmental Impact Assessment (EIA).

Environmental sustainability management

The Company implementing the environmental management for the construction services which covers various matters as follows:

Air quality control

- Innovation operating with a closed-system rust polishing machine and reusing metal powder, which results in energy conservation and lower chance of dust in the area. Including, iron powder can be reused many times to save energy which will be suitable disposed when it cannot be used.
- Reducing air pollution emissions which resulted from PM 2.5 by switching to use B10 biodiesel in production process from fabrication work processing to the installation work in various services.
- Control dust spread of in various activities as follows;
 - Spraying water sprinkles in construction areas where dust is scattered. At least twice a day (morning-afternoon)
 - Cleaning vehicle wheels before leaving construction sites to prevent dirt and sand from sticking to wheels which may create dirt on road outside projects.
 - All vehicles using fenders cover dust all 4 wheels.
 - Using canvas or plastic sheet to cover construction materials during transportation.
 - The speed limit of vehicles when enter in - out of project areas not more than 20 km / hour.
 - Require the regularly inspection, maintenance of tools and mechanical equipment used in construction works both factories and site areas.

Water quality control (Including, drainage and flood protection)

- Inspection of wastewater from the factory, according to the law promote and preserve the quality of the national environment.
- Prohibited dispose of Solid wastes, oil or construction wastes into water natural sources or drains.
- Preparing areas for material, consumable, and tools of construction work laydown away from water sources or drainage near the construction site.
- Providing outsource companies to dredging sediment and construction scrap from the drains, in case of all of those mention falling into the drain.
- Providing mobile toilets with sewage storage tanks to be sufficient with the number of workers. Including, contacting government agencies or private companies for the further dispose of waste.

Waste management and control

The process of steel fabrication or other steel productive of the Company's factories and construction sites. It leads into scrap iron and metal left over which couldn't reuse. Therefore, the relevant departments will sort these scraps for further sale. Because it

can be used into processing to be steel recycled as new raw materials. The Company's other waste disposal policy are following:

- Sorting scraps from construction activities such as wood scraps, metal scraps, etc. to be sold. Soil or sand, be considered to use in filling or adjusting project area.
- Burning prohibit all kinds of garbage and materials in the project area.
- Provide trash or containers to support solid waste with tight lids and place labels. And provided into various area within the construction sites.
- Contact an agency authorized by government to collect general waste for disposal. In case of hazardous waste or waste may impact to the pollute of ecosystem will contact an agency that has received certification standards as required by law.

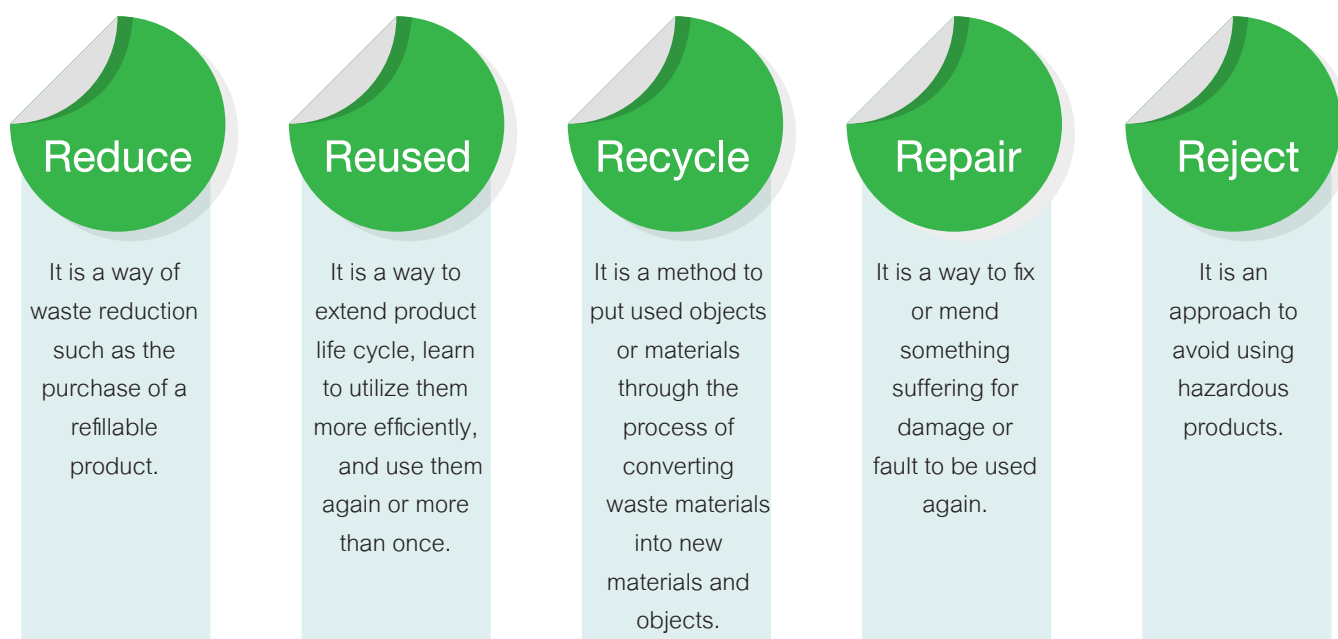
The Company's attended and participated into the government campaigns' by the performances as following.

- The Company participated in Green Industry Project created by Ministry of Industry and was announced to achieve Green Industry in the 2nd level (Green Active) in developing environmental work plans to reduce environmental impact in a concrete manner. The Company implemented activities by growing trees to increase green spaces as plants provide shade and improve air circulation by absorbing carbon dioxide, a cause of global warming, and collecting some particles such as dust, or smoke.
- The participated in the Energy Conservation Project of the Department of Alternative Energy and Efficiency by receiving a certificate for promoting energy conservation in small and medium-sized industrial plants.
- The participated in the Eco-Industrial City Project of the Department of Industrial Works which has an industrial upgrading certified. According to the indicator of eco-industrial urbanization (Level 2 Indicator 7.1.1 and Level 3 Indicator 10.2.1)

The Energy Savings (Such Electricity, Water Supply and oil)

The Company has promoted to employees with the awareness of environmental conservation and worth resource utilization. By leads into the campaigned of saving water resources by using groundwater alternating with tap water to reduce the quality using of tap water. Especially, during a shortage of water supply in summer. During 2021, launched the campaign of saving electricity by cancellation working overtime one day per week (Wednesday's light saving program). Including, efforts to reduce other resources utilizing such as using recycled paper, and oil switching from diesel to biofuels "Biodiesel" (B10) in responding to government policies since August 2020 onwards.

In addition, energy saving has been promoted by "5 R principles", which are:



Statistics of the Company's resource usage in 2020 - 2022

Description	2020 (Million Baht)	Portion of Revenue (%)	2021 (Million Baht)	Portion of Revenue (%)	2022 (Million Baht)	Portion of Revenue (%)
Electricity and water used	16.95	0.76	16.72	0.76	18.29	0.83
Gasoline used	29.45	1.32	32.57	1.48	70.27	2.24

The number of complaints about social and environmental impacts

The company has also announced the social responsibility policies through the Company's communication channels both in the form of meetings with the executives and departments meeting, announcement boards within the Company. And set up these matter into a topic for the new employee orientation and regular training for employees. Moreover, the adoption of ISO 9001:2015 Quality Management System, as a working practice for employees and all stakeholders. Including, consideration of social responsibility with the Company activities from the production process and operating methods to the improvement of the factories area.

The Company provide channels for complaints that may impacts to the communities, environment during construction process. The complaints can be made to all project managers. In 2021, the Company has not received any significant complaints about the impact on the community or the environment surrounding the construction sites.

Social sustainability management

The Company is aware of the importance of growing the business with corporate social responsibilities, exercising care to stakeholders, the economy, society, and environment with virtue, ethics, and moral. The Company aims to foster growth coupled with the greater good, and has set corporate social responsibility policy as guideline for all personnel, divided into the following 7 sections.

- 1.Fair Business Operations
- 2.Anti-Corruption
- 3.Respect for Human Rights
- 4.Fair Treatment of Labor
- 5.Responsibility to Clients
- 6.Responsibility to the Environment
- 7.Community or Social Development

The information about the Good Corporate Governance and Anti-Corruption Policy including business ethics complies with the principles of good corporate governance for the listed companies by the Stock Exchange of Thailand which has disclosed in the section 2, topic of "Corporate Governance Policies".

Treatment to employees and workers

Respect for Human Rights

The Company supports and respects protection of human rights by treating relevant parties, including but not limited to its employees, communities, and society in surrounding areas, with respect for human rights, equality, and freedom and by not violating basic rights or discriminating with respect to race, nationality, religion, language, color, gender, age, education, physical condition, or social status. In addition, the Company ensures that its business had no part in violation of human rights such as child labor or sexual harassment, engages disabled workers to promote access to employment, and exercises caution in compliance to human rights regulations. The Company provides a channel whereby stakeholders may express their opinions and persons violated as a result of the Company's operations may file complaints so that the Company may provide remedies as appropriate.

Fair Treatment of Labor

The Company is aware of the importance of human resource development and fair treatment of labor, which will enhance the value, competitiveness, and sustainable growth of the Company in the future. The Company has then outlined the following guidelines.

- Respect the rights of personnel in accordance with human rights principles and the labor laws.
- Arrange for a fair process of recruitment, hire, specification of terms of hire including compensation determination, and evaluation.
- Encourage personnel development by hosting trainings and seminars and promoting attendance in seminars and academic trainings held by third parties to enhance knowledge and capabilities and instill moral, ethics, and teamwork.
- Arrange for benefits as required by law such as social security and other provision of benefits not required by law such as provident funds and financial support such as subventions in the event of death.
- Arrange for a safe and hygienic work environment by enforcing accident-preventive measures, instilling mindset with emphasis on safety, conducting trainings, encouraging good hygiene, and constantly monitoring for a hygienic and safe work place.
- Provide the opportunity for personnel to express their opinions or file complaints with regards to unjust behavior or misconduct, while offering protection to such personnel

The Company is hire disabled employees of which is the ratio of 100 non-disabled employees per 1 person with disabilities, in accordance with the proportion prescribed by law. Therefore, the company No need to contribute money to the National Fund for Promotion and Development of the Quality of Life of the Disabled.

Employee information

The Company has employees both at the head office, factories and construction sites. Divided into three groups such executives, monthly employees (including permanent and contract employees), and daily workers. The number of contract employees and daily workers are varying according to the amount of construction projects. Resulted from, the employment period is related to each construction project duration contract. The details are as follows.

Total number of employees in 2020 - 2022

The Company's total number of employees as at 31 December 2020 to 31 December 2022 were amounting to 3,796 persons, 2,454 persons, and 4,146 persons, respectively, as follows:

Executives as at 31 December 2020 - 2022 (unit : person)

Executives	As at 31 Dec 2020			As at 31 Dec 2021			As at 31 Dec 2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
CAZ	6	3	3	6	3	3	7	4	3
JKEC	1	1	-	1	1	-	1	1	-
Total	7	4	3	7	4	3	8	5	3

Monthly Employee as at 31 December 2020 - 2022 (unit : person)

Executives	As at 31 Dec 2020			As at 31 Dec 2021			As at 31 Dec 2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
CAZ	312	230	82	367	Male	92	477	358	119
JKEC	70	50	20	73	47	26	62	40	22
Total	382	280	102	440	322	118	539	398	141

Dairy workers as at 31 December 2020 - 2022 (unit : person)

Executives	As at 31 Dec 2020			As at 31 Dec 2021			As at 31 Dec 2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
CAZ	2,302	2,001	301	1,221	1,027	194	2,681	2,353	328
JKEC	1,093	705	388	775	523	252	892	524	368
Total	3,395	2,706	689	1,996	1,550	446	3,573	2,877	696

Disable of dairy workers as at 31 December 2020 - 2022 (unit : person)

Executives	As at 31 Dec 2020			As at 31 Dec 2021			As at 31 Dec 2022		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
CAZ	9	9	-	6	6	-	20	18	2
JKEC	3	3	-	5	4	1	6	6	-
Total	12	12	-	11	10	1	26	24	2

Compensation and employee benefits

1. Provident Fund

The Company has set up a provident fund under TISCO Master Pooled Fund, which is registered under the management of TISCO Asset Management Company Limited, an asset management company in accordance with the Provident Fund Act B.E. 2530 (including its amendments). Employees taking part may choose to contribute 2-15% of each individual's salary while the Company contributes 3-5% (depending on employment duration) of the employee's salary.

2. Group life insurance

Objectives of group life insurance

To promote the Company's employees to have a good quality of life as well as being a guarantee for employees and their families.

Employee benefits payment statistics

The payment of employees' compensations and benefits, the Company places the priority to salaries, wages and various compensation such as social security, provident fund, medical expenses and life insurance to all employees and workers according to their knowledge and abilities equally in each position. The statistics of employee benefits payment during 2020 - 2022 are as follows:

Details	2020	2021	2022
Employee benefits (million baht)	1,066.56	714.31	1,098.33
Total employee (person)	3,796	2,454	4,146

Employees development and training for the construction department

As the Company operation as the construction provider services to serve all customers demand in industries which require specific skills, expertise and experiences. Therefore, the Company focuses on recruiting and developing personnel with standardized skills. And has skills test level referring by the standards of the Department of Skill Development, Ministry of Labour. Including, always development training courses program which have an updating and changing depending on the situation, to support demand of construction services. And also the safety training and occupational health for safety officers, employees and related workers to aware of safety at work, learn and use equipment correctly. To have the safety working without accidents and disease at work and efficiency. The company provides training courses both internal and external as follows:

Training courses

Details	Number of hours (hours)			Number of employees (person)		
	2020	2021	2022	2020	2021	2022
Program: Basic safety course for new employees and general staff (6 hours)	2,676	2,856	2,418	6,516	3,091	5,613
Program: Compulsory Skills Courses and give crane signal	18	18	-	26	53	-
Program: Safety course in working in confined spaces	160	192	384	240	432	282
Program: Basic Firefighting Course	6	72	32	40	308	106
Program: Basic First Aid Courses	12	6	6	44	23	20
Program: Perform work with heating and sparking work	-	184	50	-	413	499
Program: Perform work with height area	-	692	184	-	968	913

Number of training courses, costs, classified by training sources.

Training courses	Total courses (Topics)			Number of employee attend the training (person)			Total training date (days)			Training expense (Baht)		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
In-house training	154	146	482	6,756	4,507	7,207	174	154	482	770,000	730,000	711,600
Source training	4	7	9	110	781	226	6	25	21	698,000	1,398,000	630,000
Total	158	153	491	6,866	5,288	7,433	180	179	503	1,468,000	2,128,000	1,341,600

Average number of training hours compared with total number of employees per year

Total training hours per person		
2020	2021	2022
6.5	7.0	6.5

Community and Social Responsibility

- Inspection of wastewater from the factory to comply with the standards as law requirements.



- Participated in supporting the souvenirs from the Disabled Women's Club and a group of women caring people with disabilities in Rayong Province.



- Participated in supporting the organization of the international day of persons with disabilities in Rayong Province for the year 2022.

Occupational Safety and Health Sustainability Management

The Company concerns about employee healthy and quality of life by determined to promote the safety to prevent any accidents to employees, workers. Including, injuries, illnesses and reduce losses which caused by work. The Company has policies, measures, guidelines, procedures for operating safety in every construction steps under the Occupational Safety, Health and Work Environment Act. The safety policy is strictly practice to all department and employees have responsibilities to take care their safety and health themselves and other involved in their work. All employees must cooperate by strictly perform the duties and responsibilities to the Company's policy. Moreover, in 2022, the company has the certified of ISO 45001:2018 as a guideline for compliance with the policy on the Occupational Health and Safety Management system as well.

The Company has a safety management agency which is Safety Health and Environment department (SHE). Its responsible to managing, controlling, supervising compliance with security policies as required by law and regulations. For example, prepare a safety management plan for each project, promote and support safety and health campaign to employees, places safety notice, provide personal protective equipment (PPE) to prevent occupational hazards, safety inspection and report by daily weekly and monthly. Including, having regular morning talks to emphasize to all construction units for the safety consideration of work at all times. And other monitoring and responsible duties that cover following topics:

Security control and supervision

1. Accidents prevention in the workplace.
2. Assess activities which may leads to risks, have practice with appropriately manner implemented.
3. Providing essential health care to employees and subcontractors, including suitable safety training program. Moreover, providing the personal protective equipment (PPE) to ensure that are appropriate with nature of works and adequate to workers in construction area.
4. Promote safety awareness in the workplace to employees.
5. Improvement to unappropriated work behavior and unsafe workplace condition.
6. Correctly and Properly safety operating in order to have Lost Time Incident (LTI) rate equal to zero.

Health control and supervision

1. Conduct to health risk assessments to all operating activities of the Company.
2. Support to annual health checkup.
3. Support to the heathy promotion and disease prevention from work to employees.
4. Provide permanent employees to be a consultant and give advice on health and safety matters.
5. The company provides health system management to all employee levels.

The control and prevent impacts which may occurred from work activities such as;

1. The factories noise controlling
 - Construction activities that caused noise will be conducted only during 8:00 a.m. - 5:00 p.m.
 - Regular maintenance tools and construction equipment to have the good conditions and efficient to use. It be able to reduce noised from those devices.
 - Provide noise reduction devices such as ear plugs or ear muffs to construction workers who are working in areas having higher noise level than limit.
 - Determine proper working hours or arrange a rotation of duties to workers. Leads to reduce working hours with loud noise beyond specified period and to giving rest time to employees.

2. The transportation controlling

- Avoid roads with community / traffic during rush hour (morning 7:00 a.m. - 9:00 a.m., lunch 12:00 p.m. - 1:00 p.m. and evening 4:00 p.m. - 6:00 p.m.)
- Control of loading weight to not exceed legal limitation to prevent damage to the traffic surface.
- Advise and control drivers to strictly comply with traffic rules and regulations.
- Provide staff to facilitate and supervise for the entry and exit of trucks in construction area.
- Checking vehicle condition before use, such as the brake system, etc.
- Controlling of truck driving speed according to law.
- Providing warning signs, flashing light, or symbol at the junction before entering into project area.
- Coordinate with local traffic authorities to facilitate transportation of trucks.

3. Risk management to preventing the serious occupational disease from work

The company concerns of the good health of employees and workers. Both in the head office, factories, and various construction sites, by arranged annual for employees' health checks. In addition, the Company provides health check-up programs based on working conditions for employees and workers, such as lung function tests, vision, hearing, etc., to help screen and prevent or eliminate risk factors before causing occupational disease.

During the epidemic of coronavirus disease (COVID-19) that occurred since 2020, and continued into many waves in 2021. The company has been strictly implemented various measures, including social distancing, weekly ATK testing in accordance with the recommendations of the Department of Epidemic Control Ministry of Health and various departments. The measures preventions have been performed in area of the Head Office, factories, and construction sites and worker camps. Including, promote and communicate of safety knowledge in practices coexistence through universal publicity in all workplaces. Including, the preparation of various hygiene supplies to clean every work place and prevent the spread COVID-19 to employees. Throughout these crisis, the Company be able to have well management by all the Company's employees and their families are having healthy and take care them away of the virus outbreak. Leads the Company have the efficient operation and continually work without interruption.

Safety, Occupational Health and Environment performance

Work safety statistics in 2019 – 2021 are as follows

Year	Statistic			IFR	LTIR	Working hours
	MTC	LTI	FC			
2020	3	0	0	0.04	0.00	10,954,610
2021	2	0	0	0.07	0.00	5,671,255
2022	3	0	0	0.07	0.00	9,282,705

MTC – Medical treatment case (with more than prescription of drugs – such as stitches and cast).

LTI – Lost Time Incident Case (with continuous treatment more than 1 day).

FC – Fatalities Case

IFR – Incident Frequency Rate

LTIR – Lost Time Incident Frequency Rate



Management Discussion and Analysis

Overview of the Company's Business Operations

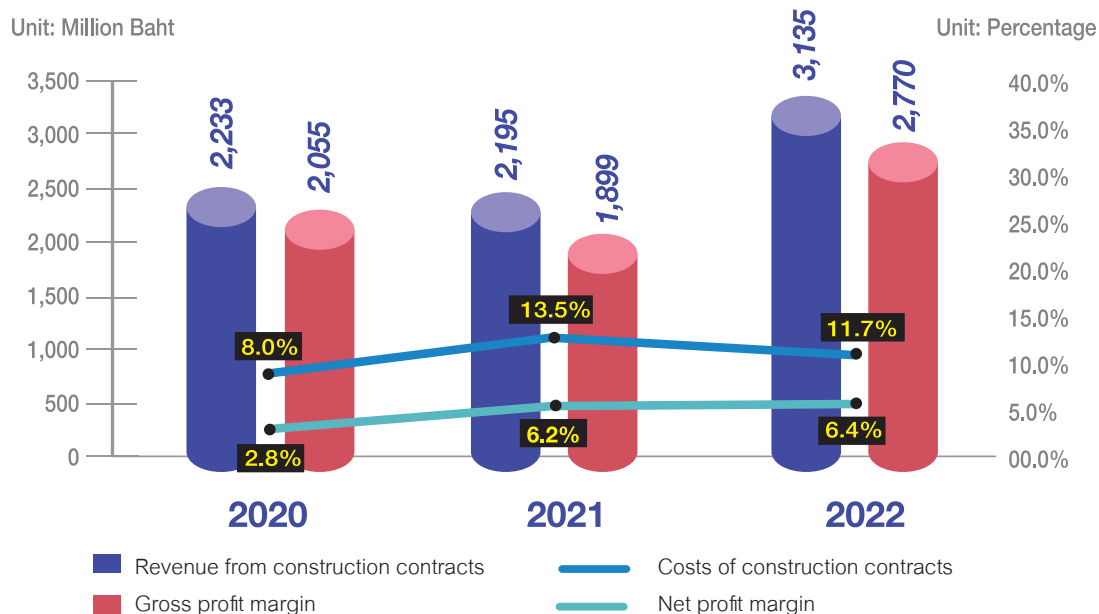
The Company engages the business as construction service provider to procure mechanical, equipment, and comprehensive construction services to clients in the oil, gas, and petrochemical industry. In order to serve all target customer's requirement for every productivities stages. The Company provides construction services both directly from the project owner and from the main contractor. However, most of the Company's services are complicated and has strictly of safety measures. Therefore, it requires the Company's operations with expertise along with the experience and expertise.

Regarding, the epidemic COVID-19 which has begun return to be a normal situation. Including, the Government's economic stimulus campaign and the recovery of the tourism industry. Resulting, an overall economic growth of Thailand in 2022 from the year before. Moreover, the investment in government projects, especially projects related to economic development zones Eastern Special Region (EEC). For example, the 2nd LNG Receiving Terminal project, located in Ban Nong Fab area, Map Ta Phut Sub-district, Muang District, Rayong Province, has a liquefied natural gas (LNG) conversion capacity and LNG receiving and dispensing capacity of 7.5 million tons per year (MTPA). The aforementioned projects are some construction works in hand of the Company that have been signed since 2019 and scope of work has been expanded. Including, the signing of more construction contracts until 2022, with some projects being completed more than 80%. In addition, other construction projects are being constructed in the middle of the work schedule and have more work completed that can be delivered and transferred right of control over the construction works to customers than last year. Resulted in the Company's operations having the highest revenue value since established. The results of operations in 2022 are as follows:

Analysis of Operating Performance and Profitability

The Company's operating performance for the year ended 31 December 2020 to 31 December 2022, as follows.

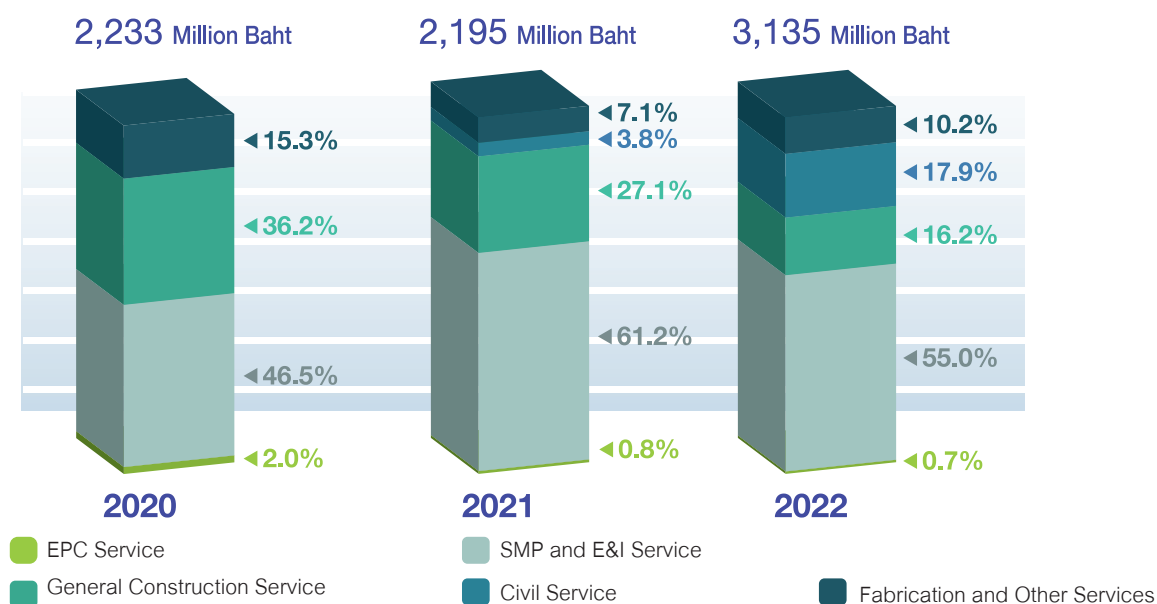
Summary of Key Operating Performance Figures in 2020-2022



Revenue from construction services of the Company mainly from provision of construction work in heavy industry. It starting with the initial work value as agreed in the contract. Additional by (if any) the contract amendment which resulting from the increase in the scope of work, work adaptation or additional cost claims. Revenue from construction services can be divided into the following categories;

1. Engineering, Procurement and Construction (EPC)
2. Structural Mechanical Piping and Electrical and Instrument Service (SMP and E&I)
3. Civil and Building Service
4. General Construction Service
5. Fabrication and Other Service

Revenue Composition by Type of Service Provided in 2020-2022



The Company has revenue from construction services in 2020 – 2022 amounting to Baht 2,233.06 million, Baht 2,194.70 million and Baht 3,135.46 million, respectively. By 2020's revenue increased of 9.76%, and 2021 was slightly decreased amounting to Baht 38.37 million, or 1.72%, compared with 2020. Resulted from, some construction projects already finished and delivered work, including, transfer the right of control of the construction work to customers during 2021, such as PTTGC Olefins Reconfiguration SMP (package No. 2,3,4,5) both structure & mechanical erection and structure fabrication scope of works, and Propylene Oxide Civil work project. Together with, some construction projects which signed on the second half of 2021 were on the beginning stage. Leads to the percentage of work completion which could transfer rights of control to customer slightly reduced, compared with 2020. By 2021, the Company's significant projects such as Nong Fab LNG Receiving Terminal which scope of service were Early Gas Send Out work for Civil, Structure, Equipment Installation, and Jetty Piping work, and Olefins I-4/2 Modification for Propane Feedstock Project by the scope of service were general construction and steel structure works.

In 2022, the Company had revenue from construction in totaling of Baht 3,135.46 million, an increase of Baht 940.77 million or 42.87%, compared to 2021, its revenue was considered as a new high since the start of operation. Resulted from, the recognition percentage of work completion of the project on hand (Backlog) that has been signed before 2022. Together with projects that have been signed during year 2022 such as Clean Fuel Project for scope of service steel structure fabrication, Ultra Clean Fuel Project, and New Hydrogen Manufacturing Unit (HMu-2) Project for scope of service steel structure fabrication works. Moreover, there were many construction projects have progression being constructed in the middle of construction period work. Resulting in, the gradual handover of work and the transfer the right of control to customers significantly increased. Compared with previous year, which the revenue recognition of projects were in the early stage and were not much work progression. As at 31 December 2022, the Company has backlog amounting to Baht 2,431 million, and it's going to recognize revenue into the following years.

Cost of Construction Service

The Company's key costs of construction service include raw materials and consumable goods, subcontractor costs, salaries and personnel costs, incentives, and other costs of production. The Company's cost of construction services of 2020 - 2022, amounting to Baht 2,055.14 million, Baht 1,898.62 million, and Baht 2,770.32 million, respectively. Reflecting 92.03%, 86.51%, and 88.35% of construction service revenues, respectively.

Total construction costs of 2020 were a little bit increased due to the impact of COVID-19 epidemic. Lead the Company has to adjusted cost of construction projects to be updated and could be as close to the current cost as possible. The main reasons for cost improvements were due to the social distancing campaign, the limitation of working hours per day. The increased costs such as labor costs, equipment costs, includes hygiene materials used for preventing the spread of virus. In addition, the Company's profitability for 2021 has significant improved, compared to 2020. Main reason is from the new construction projects which signed contract on Q3/2021 have higher profit margins than previous projects. On the other hand, 2022, the Company has adjusted the budget costs for some construction projects to be more updated. As a result, the cost of construction services for this year is slightly higher than year 2021.

Administrative Expenses

Key composition of the Company's administrative expenses include employee benefit expenses such as salaries, bonus, and other compensation, audit fees, training and seminar fees, depreciation, utility expenses, and insurance expenses. Administrative expenses in 2020 - 2022 amounting to Baht 74.62 million, Baht 96.15 million and Baht 96.96 million, respectively. Reflecting a 3.34%, 4.38%, and 3.09 of construction service revenues, respectively.

The Company's administrative expenses 2021 were increased totalling to Baht 21.53 million, or 28.85% compared with 2020, which has administrative expenses amounting to Baht 74.62 million. Resulted from, 2020 was the first year that the Company's operating had effected from COVID-2019 epidemic. It leads the Company had to reduce administrative expenses and estimates of key expenses such as employee bonus to complied with the declining performance. In 2021, on the other hand, the Company kept running construction performance on each projects on hand in order to achieve target operation. Although, 2021, it still has continuing of new wave of the COVID-19 epidemic. Leads the Group's administrative expenses of 2021 were increased, compared with last year. The increasing administrative expenses such as employee expenses and director remuneration, the recognition of expenses from income tax withholding which non-refundable, and preventive expenses of COVID-19 outbreak. Moreover, the administrative expenses of 2022 compared to 2021 was a slight increase due to the increase in personnel expenses.

Finance Costs

Finance costs are interest expenses from sourcing of funds for use in business operations. The Company took out long-term loans from a financial institution since Quarter 3 of 2016 to invest in the purchase of land, building, and equipment. In 2020 – 2022, finance costs amounting to Baht 27.16 million, Baht 30.17 million, and Baht 15.00 million, respectively. Regarding to, 2020 - 2021, some construction projects were in the late stages of commissioning and final phase of delivery works which had not much revenue rights of control transfer work. And also lead to the amounting of invoice were not much as well. As a result, the Company required to get financial assistance from financial institutions and a related company. And cause the Company has higher financial costs compared to previous years from short-term borrowing to be used as working capital of the projects on hand.

On the other hand, 2022, the Company received debt repayment from customers from work progression which could be transfers right of controlled and collected more than previous year. Resulting in the Company being able to gradually pay short-term debt to financial institutions, a related party and other persons according to the maturity period. The financial cost in 2022 has decreased significantly compared to the previous year.

Profitability

Gross profit and net profit for 2020 - 2022 can be summarized as follows.

Profitability	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Gross profit	177.92	7.97	296.07	13.49	365.15	11.65
Net profit attributable to Owner of the parent	61.51	2.75	136.51	6.22	201.38	6.42

Gross profit of 2020 - 2021 amounting to Baht 177.92 million, and Baht 296.07 million. Reflecting gross profit margin of 7.97% and 13.49% of construction service revenues which considered to be similarly gross profit margin. In 2020, it was the first year of COVID-19 e pandemic's impact to the Company's construction works. It caused the Company had to improved budget costs in some projects terms of labor costs, material and equipment costs, and hygiene materials used for preventing the spread of COVID-19. Moreover, by 2021 and 2022, the Company's gross profit margin were 13.49% and 11.65% of revenue from construction, respectively. When compared with 2020, it were significant increased. Due to the new construction projects signed contract on Q3/2021 have higher profit margins.

Net profit attributable to owners of parent of the Company for 2020 - 2022 amounting to Baht 61.51 million, Baht 136.51 million, and Baht 201.38 million, respectively. Reflecting net profit margin of 2.75%, 6.22% and 6.42% of total revenues. The net profit margin in 2022 was 6.42% due to the recognition of revenue projects on hand which signed in 2021 and have a higher profit margin than other projects. Together with 2022, the Company can reduce financial costs from debt repayment of various short-term loans according to the maturity period. As a result, the Company was able to significantly save financial costs in 2022.

Analysis of Financial Position

Components of assets 2020 - 2022 as follows;

Details	As at 31 Dec 2020		As at 31 Dec 2021		As at 31 Dec 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	142.42	8.50	262.45	13.31	116.41	5.57
Trade and other receivables	204.87	12.23	324.14	16.43	452.42	21.63
Contract assets	512.28	30.58	617.01	31.28	589.25	28.18
Inventories	34.54	2.06	40.84	2.07	46.97	2.25
Refundable Withholding tax deducted at source	-	-	-	-	35.72	1.71
	7.26	0.44	10.80	0.55	8.03	0.38
Total Current Assets	901.37	53.81	1,255.24	63.64	1,248.79	59.71
Non-Current Assets						
Restricted bank deposits	10.02	0.60	7.69	0.39	7.73	0.37
Property, plant, and equipment	557.39	33.28	557.76	28.28	536.92	25.67
Intangible asset	13.22	0.79	12.38	0.63	12.78	0.61
Retention receivables	54.17	3.23	96.98	4.92	220.29	10.53
Withholding tax deducted at source	132.81	7.93	35.36	1.79	57.98	2.77
Deposits	3.41	0.20	4.41	0.22	3.93	0.19
Deferred tax assets	2.63	0.16	2.70	0.14	2.94	0.14
Total Non-Current Assets	773.65	46.19	717.28	36.36	842.57	40.29
Total Assets	1,675.02	100.00	1,972.52	100.00	2,091.36	100.00

Assets

As at 31 December 2020 - 31 December 2022, the Company's assets amounting to Baht 1,675.02 million, Baht 1,972.52 million, and Baht 2,091.36 million, respectively. The increasing of assets in 2020 – 2022 have details on changes in the Company's assets can be summarized as follows.

Current Assets

- **Cash and Cash Equivalents** 2021 and 2022, amounting to Baht 262.45 million and Baht 116.41 million, respectively. On 2021, its was increased amounting of Baht 120.03 million, due to the invoice collected of some projects were repayment from customers at the end of the year. On the other hand, 2022, cash and cash equivalents was reduced by pay off the maturity short-term loan of each project's working capital to financial institutes, a related party, and other party. Together with the Company's working capital of other projects on hand during the year.

- **Trade and Other Receivables** The Company records trade receivables in accordance with invoices issued for completed milestones after delivery of work. The Company's policy is to offer credit terms to clients of approximately 30 - 45 days. Considering of the Company's aging analysis for trade receivables showed most of the Company's trade receivables being were not yet due and overdue less than 3 months.

Regarding to, the Company's construction projects have been continually increasing, its caused more amount of trade receivables arise once the Company bills invoice to its clients as well. Most of the trade receivables belong to players in the petrochemical industry who have the ability to pay the amount owed, and may have detailed processes in the inspection of work and document checks which could lead to delayed payment. Details on trade receivables as follows.

Aging of Trade Receivables	2020		2021		2022	
	Million Baht	I %	Million Baht	I %	Million Baht	I %
Not yet due						
- Unrelated parties	174.47	91.37	284.69	95.60	430.38	99.85
- Related parties	-	-	-	-	-	-
Overdue						
Within 3 months						
- Unrelated parties	13.74	7.20	13.11	4.40	-	-
- Related parties	-	-	-	-	-	-
Over 3-6 months						
- Unrelated parties	2.74	1.44	-	-	0.30	0.07
Over 6-12 months	-	-	-	-	0.35	0.08
Over than 12 months	-	-	-	-	-	-
Total Trade Receivables	190.51	100.00	297.80	100.00	431.03	100.00
Less Allowance for doubtful accounts	-	-	-	-	-	-
Trade Receivables - Net	190.51		297.80		431.03	

Allowance for doubtful accounts are based on judgment of executives as to the possibility of not being able to collect from each debtor, with consideration of past payments, aging of the trade receivable, and current economic situation. The Company has the following policy on the allowance for doubtful accounts.

- **Contract assets** (or Unbilled receivables) reflecting to the value of revenues in accordance with percentage of completion which have not been billed to clients. Comprising of value of delivered rights of controlled for construction projects to clients, and going to invoice to clients in the following periods. And related to the increasing of quantities of construction projects.

As at 31 December 2020 - 2022, the Company's contract assets amounting to Baht 512.28 million, Baht 617.01 million, and Baht 589.25 million, respectively. Equivalent to 30.58%, 31.28%, and 28.18% of total assets, respectively. As at 31 December 2021, total of contract assets increased when compare with 2020. Resulted from, the increasing of revenue recognized from percentage of work completed which related to the increasing of work contractual. And revenue recognized from out put method. Both were not yet invoice and it be able to issue invoice to customers in the next periods. Moreover, 2022, the total value of contract assets slightly increased, compared with last year. Due to both of construction delivered works which could transfer rights of control and invoiced during the year reduced.

- **Inventories** regarding to, the Company's nature of business is the provision of construction service based on client orders, it leads the Company does not have inventory in the form of finished goods. Inventories comprise of raw materials, including materials and equipment awaiting installation such as steel plates and steel pipes for piping system installation. Inventories as at 31 December 2020 – 2022, equivalent to 2.06%, 2.07% and 2.25% of total assets, respectively. As at 31 December 2021 - 2022, the Company had outstanding inventories of Baht 40.84 million and Baht 46.97 million. Resulted from, purchased materials for steel structure for projects on hand. All these inventories have both work process at the Company's shop and at site of projects.

- **Refundable Withholding Tax Deducted at Source** refers to withholding tax which the Company has been deducted in advance when receiving payment for construction service from clients. When calculated in conjunction with annual corporate income tax, the difference could be requested for refund. The Company's withholding tax refundable for the period of 2021 was on the auditing process. And it already received from Revenue Department on February 2023, the Company has classified the refundable withholding tax deducted at source in the current asset category.

- **Property, Plant, and Equipment** mainly comprise of land, factory, office building, vehicles, construction machinery, and engineering testing devices. Additional, the Company's property, plant, and equipment of 2021 - 2022 were increased by invested into machinery equipment and tools totaling of Baht 72.16 million and Baht 52.98 million, respectively. In order to the supporting for construction services of new projects, including having sufficient production capacity.

- **Retention Receivables** reflect the amount of money deducted by the client as project guarantee as specified in the contract. Terms of retention receivables for most cases would be at 10.00% of project value, and refund would undergo the following processes.

- 5.00% refunded after Initial Acceptant Certificate (IAC) after inspection and commencement of guarantee period
- The remaining 5.00% refunded after Final Acceptant Certificate (FAC) after thorough inspection confirming no issues on the project and operating systems installed throughout the guarantee period and the guarantee period has ended

Refund of retention amount can only be done once IAC or FAC is issued by the client, and billing is in accordance with the clients' set schedule.

As at 31 December 2021 - 2022, the Company's retention receivables amounting to Baht 96.98 million and Baht 220.29 million. Comparing with previous year, it increased amounting to Baht 42.81 million, and Baht 123.32 million, respectively. Due to the Company was deducted retention amount for delivery of milestones for different projects during period in accordance with the aforementioned processes.

- **Withholding Tax Deducted at Source** refers to withholding tax which the Company has been deducted in advance when receiving payment for construction service from clients. When calculated in conjunction with annual corporate income tax, the difference could be requested for refund. The Company already has withholding tax refundable received for 2017 - 2020 during the period of 2021. As at 31 December 2022, it still remain balance of withholding tax deducted at source of the year 2022, the Company has classified the withholding tax deducted at source in the non-current asset category.

Liabilities

Liabilities components of 2020 - 2022, of the Company as follows.

Details	As at 31 Dec 2020		As at 31 Dec 2021		As at 31 Dec 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Current Liabilities						
Bank overdraft	0.01	0.00	-	-	-	-
Short-term borrowings from financial institutions	509.10	30.39	373.50	18.95	175.30	8.38
Trade and other payables	265.03	15.82	377.92	19.16	369.31	17.66
Contract liabilities	141.08	8.42	289.86	14.69	527.88	25.24
Short-term borrowing from other party	20.00	1.19	20.00	1.01	-	-
Current portion of long-term borrowings from financial institutions	38.64	2.31	38.64	1.96	77.76	3.72
Current portion of lease liabilities	20.40	1.22	30.99	1.57	22.70	1.09
Other Current Liabilities	25.80	1.54	44.40	2.25	43.01	2.06
Total Current Liabilities	1,020.06	60.89	1,175.31	59.59	1,215.96	58.14
Non-Current Liabilities						
Long-term borrowings from financial institutions	84.30	5.03	87.66	4.44	8.62	0.41
Lease liabilities	26.37	1.57	29.03	1.47	11.83	0.57
Retention payables	8.94	0.53	11.96	0.61	28.11	1.34
Non-current provision for employee benefits	7.13	0.44	7.28	0.37	5.52	0.26
Total Non-Current Liabilities	126.74	7.57	135.93	6.89	54.08	2.59
Total Liabilities	1,146.80	68.46	1,311.23	66.48	1,270.04	60.73

As at 31 December 2020 - 2022, the Company's total liabilities reflecting to 68.46%, 66.48% and 60.73% of total liabilities and equity, respectively. In 2022, the Company's total liabilities decreased of Baht 41.19 million, compared with 2021, equivalent to a 3.14%. Details on changes in the Company's liabilities can be summarized as follows.

- **Bank overdraft and short-term borrowings** The Company has short-term loans uses as projects operation and working capital of the Company. In form of bank overdraft, and promissory note with short-term period of 1-5 months and be able to roll over from other party, a related party and financial institutions that the Company has credit facilities. In 2021 - 2022, the Company had short-term loan from financial institutions of Baht 373.50 million, and Baht 175.30 million, respectively. Regarding of the year 2021, it were several construction projects in the final stages of construction projects. Therefore, the amount of work delivered were not much. The Company's necessary to use working capital for many projects on hand such for labor, raw material and construction consumable costs. In addition, the projects of work received during the year did not have advance payments. The Company,

therefore need to borrow short-term money from other party, a related party company, and financial institutions that the Company has a credit facilities. However, the Company paidoff loans by the due date from the collection for construction projects received from the customers at that time. Resulting to, as at 31 December 2022 the Company's short-term loans decreased amounting of Baht 175.30 million.

- **Trade and Other Payables** comprise of materials creditors, subcontractor cost, accrued costs, provision for damage from defective service after project delivery, set up in the case of lawsuits. As at 31 December 2022, trade and other payables slightly decreased, compared with 2021. Totaling of Baht 8.61 million or 2.28%. Due to procurement of construction material and goods and employment of subcontractors in accordance with the increased number of projects of the Company. However, the Company has credit terms for payment of 45 - 90 days.

- **Contract liabilities** As at 31 December 2020 - 2022, the Company has contract liabilities (or received advance payments from construction projects and advance income received) amounting to Baht 141.08 million, Baht 289.86 million, and Baht 527.88 million, respectively. Components of contract liabilities can be divided into;

- **Construction income received in advance** (income received in advance from customers in accordance with the milestone conditions in the contract which is higher than the revenue recognized). When the Company has transfer control over goods and services to customers under the agreement, this transaction will be deducted and recognize as service revenue in the future. As at 31 December 2022, the Company has construction income received in advance amounting to Baht 482.12 million, increased of Baht 341.92 million, compared with 2021.

- **Advance received from construction contracts** are deposit of project hired according to contract conditions. Which will be reduced proportionally as charged to customers in the next billing invoice.

As at 31 December 2021 and 2022, the Company received advance payment for construction amounting to Baht 148.66 million and Baht 44.75 million. These were the advance received from the project contract around 10% - 20% of the project value and gradually recognize revenue in the following year by the proportion of work delivery which be able to invoice to customers.

The Company be able to gradually record advance payment and advance construction revenue to income according to Thai Financial Reporting Standard No. 15, without any obligation to repay back to customers.

- **Long-Term Borrowings from financial institutions** The Company sourced its long-term funds from a Thai commercial bank with loan amount of Baht 250 Million and interest rate of MLR minus 0.50% to fund the purchase of land, factory, office building, vehicles, and machinery used in construction which located in Muang District, Rayong Province. In every year, these loan going to decrease of Baht 38.64 million, in accordance with principal repayment specified in the contract. Except of 2020, long-term borrowings decreased by amounting of Baht 20.76 million, due to the Bank of Thailand's measures to various financial institutions to assists debtors who has affected by the COVID-19 epidemic with a grace period (temporary debt moratorium). The Company was affected and asked this assistance to apply for these campaign with banks. In April 2020, the Company amended its credit facility agreement with a financial institution by having the grace period of principal loan repayment for 6 months from April to September 2020. The final repayment date of long-term borrowings from financial institutions will be due within February 2024 which is replaced the formal one in September 2023.

Moreover, during 2021, the Company entered into a loan agreement with a financial institution amounting to Baht 42 million. The loan bears interest at a rate of 2% per annum with a term of repayment in 2 years. The loan is secured by Thai Credit Guarantee Corporation. As at 31 December 2021 and 2022, the Company's Long-Term Borrowings from financial institutions amounting to Baht 126.30 million, and Baht 86.38 million, respectively.

Equity

Equity attributable to owners of the Company as at 31 December 2022 amounting to Baht 810.26 million, increased to Baht 156.18 million, or 23.88%, compared with a previous year which has equity amounting to Baht 654.07 million. The changes of shareholder's equity when compared with last year, due to the Company's operating results with net profit attributable to shareholders of the parent company amounting to Baht 201.38 million. In addition, the dividend payment for the year 2021 performance at the rate of 0.18 baht per share, total value of Baht 47.02 million.

Equity attributable to owners of the Company as at 31 December 2021 amounting to Baht 654.08 million, reflecting a Baht 131.54 million increase from 2020, or 25.17%. Resulted from, operating results with net profit attributable to owners of the parent amounted of Baht 136.51 Million. Including, interim dividend payment for the year 2020 performance at the rate of 0.04778 Baht per share amounted of Baht 13.38 Million with following details;

- Payment in the form of stock dividends in the amount of approximately 14 million shares at the ratio of 20 existing shares to 1 new share with a par value of Baht 0.50 per share, totaling Baht 7.00 million. Or dividend payment rate at Baht 0.025 per share.
- Payment in the form of cash in the amount of Baht 0.02278 per share, totaling Baht 6.38 million.

However, on 11 May 2021, the Company increased the registered capital to support the stock dividend payment of Baht 7.00 million from the original registered capital of Baht 140 million to a registered capital of Baht 147 million. By issuing 14 million additional ordinary shares at a par value of 147 million baht. The par value is 0.50 baht per share.

Liquidity, sources and used of funds

Cash flow	2020 Million Baht	2021 Million Baht	2022 Million Baht
Net cash used in operating activities	(68.41)	315.00	239.61
Net cash flow from (used in) investing activities	(35.57)	(26.37)	(48.29)
Net cash from (used in) financing activities	231.77	(168.59)	(337.36)
Net increase (decrease) in cash and cash equivalents	127.79	120.04	(146.04)
Cash and cash equivalents at 1 January	14.62	142.41	262.45
Cash and cash equivalents at 31 December	142.41	262.45	116.41

Regarding, the expansion of work capacities at Pluak Daeng District, Rayong, it leads the Company's have more capability to do construction work. Consequently, there was a steady increase in cash flow from the debt collection from customers, which was associated with increased working capacity. However, in each year of operation, the Company has other sources of funds such as short-term borrowing from related parties, financial institutions which has credit facility to be used as working capital for the operation of the construction projects on hand at that time.

In 2021 - 2022, the Company's cash flows from (used in) operating activities amounting to Baht 315 million and Baht 239.61 million, mainly from the purchasing raw materials for construction, trade accounts receivable and the contract assets increased from the completed construction more than billing of the period. And at the end of year, projects were in the process of delivering work for collection from the customers. Together with trade and other payables increased during the period as well. Moreover, during 2021, the Company received withholding income tax deducted at source for 2017 - 2020 from the Revenue Department amounting to Baht 131.67 million.

Cash flows (used in investing activities) for 2021 - 2022 amounted to Baht (26.37) million and Baht (48.29) million, respectively. The main investment items of the Company was invested into equipment and machinery. Including, intangible assets increased from previous year, these for support the Company's construction services.

In 2020 - 2022, cash flows from financing activities used to repay long-term loans from financial institutes and dividend payment of Baht 29.99 million, Baht 6.38 million, and Baht 47.02 million, respectively. In addition, in 2021 - 2022, the Company has cash flow (used) to repay short-term loans amounting to Baht (135.60) million and Baht (218.20) million. Moreover, in 2020, the Company still has cash inflows from short-term borrowings amounting to 306.86 million, respectively, to be used as working capital for the group of companies. and construction projects on hand.

Key Financial Ratios

Details	Unit	Audited		
		2020	2021	2022
Liquidity ratio				
Current ratio	time	0.88	1.07	1.03
Quick ratio	time	0.34	0.50	0.53
Liquidity ratios of cash flow				
(Operating Cash Flow to Current Liabilites)	time	(0.07)	0.29	0.20
Account Receivable turnover	time	11.42	8.30	8.08
Average Collection Period	day	32	44	45
Inventory Turnover ¹	time	N/A	N/A	N/A
Average Inventory Period ¹	days	N/A	N/A	N/A
Account Payable turnover	time	6.94	5.91	7.41
Average Payment Period	days	53	62	49
Cash Cycle ¹	days	N/A	N/A	N/A
Profitability Ratios				
Gross Profit Margin	%	7.97	13.49	11.65
Operating Profit Margin	%	4.78	9.32	8.63
Other Profit Margin	%	0.15	0.21	0.07
Cash to Profitability Margin	%	-64.13	154.07	88.57
Net Profit Margin	%	2.75	6.21	7.27
Efficiency Ratios				
Return on Equity	%	12.14	23.20	27.50
Return on Asset	%	6.75	11.21	13.31
Return on Fixed Asset	%	22.62	36.71	36.59
Total Asset Turnover	time	1.41	1.21	1.54
Financial Policy Ratios				
Debt to Equity Ratio	time	2.19	2.00	1.57
Interest Coverage Ratio	time	3.93	6.78	18.04
Interest Bearing Debt	time	1.30	0.89	0.37
Debt service coverage ratio	time	(0.06)	0.18	0.24
Dividend Payout ³	%	46.91	4.62	22.95
Share information (at par value of Baht 0.50 per share)				
Book value per share	Baht	1.87	2.25	2.79
Earning Per Share ²	Baht	0.22	0.46	0.68

Note: ^{1/} Inventory turnover ratio, Average inventory period, and Cash Cycle can be calculated but it doesn't reflecting business operation. Due to the Company produced work according to customers' order, then doesn't have finished good.

^{2/} Calculated from par value of 0.50 baht per share by dividing net profit of the period by weighted average number of ordinary shares issued during the year.

^{3/} Calculated from the amount of dividends paid divided by net profit of the consolidated financial statements.

Importance Information and Legal dispute

Information on relevant persons in the Company

The names, biographies, experiences and numbers of shares of the Board of directors and Management including Company Secretary, the person taking the highest responsibility in finance and accounting, the person supervising accounting and Head of Internal Audit and Compliance are provided in Enclosure 1 “Information on the relevant persons in the Company” of this Annual Report.

Company Secretary

In keeping with good Corporate Governance, the Company designated Miss Nattiya Charusombat, having duties and responsibilities as a Company Secretary, which has the responsible with care and integrity to comply with applicable laws, Company's Articles of Association, Board and Shareholders' resolutions. The detailed profile of the Company Secretary has been disclosed in Enclosure 1 “Information on the relevant persons in the Company” of this Annual Report.

Audit fees

In 2022, the Group had audit fees for KPMG Phoomchai Audit Limited. amounting to THB 3.10 million.

Legal Dispute

-None-



Section 2

Corporate Governance





Corporate Governance

Corporate Governance Policy

The Company conducts itself in accordance with the Code of Best Practice with the awareness that such practice is vital to the Company's operations in ensuring efficient management system as well as continuous and steady expansion of the Company's business, leading to confidence for shareholders, investors, and related parties together with creating long-term greatest benefit to the Company. The Company set its Good Corporate Governance policy based on good corporate governance principles for listed companies as specified by the Stock Exchange of Thailand, with the objective to use as in the Company's corporate governance. The Board of Directors has distributed the policy to directors and personnel of all levels to create understanding and compliance, with the content covering the following key principles. It could be divided into the following 5 sections.

Section 1 Rights of Shareholders

The Company is aware and places emphasis on the rights of shareholders by not engaging in any activities which intrude or exempt such shareholders of their rights. The Company will respect and strictly protect the basic rights of shareholders in matters including the purchase, sale, or transfer of shares, the right to receive share certificates, the right to receive a share of the Company's profits, the right to receive sufficient information on the Company, the right to express one's opinion and vote in shareholders' meetings to collectively determine key changes in Company policies, appointment and revocation directorship, appointment of auditor, determination of audit fees, and other matters which impact the Company such as the payment of dividends, determination or modifications to the Articles of Association and Memorandum of Association, and increase or decrease of share capital.

The Board of Directors set good corporate governance policy to the Company to adhere to, covering the following principles.

1. Rights and equitability of shareholders and stakeholders
2. The Board of Directors is committed to creating value for the Company by exercising caution in management and regularly assessing risk factors for the greatest benefit for shareholders.
3. Operating with transparency and complete information disclosure
4. Operating with attention to business ethics

The Company's shareholders have the right to take any action with equal voting rights as stated in the Company's Articles of Association, whereby one shareholder has vote equal to 1 share per 1 vote. As a result, the shareholders as the owners of the Company are entitled to have the participation and give their opinion in about of the Company's strategic direction fo the business. By each shareholder's meeting, Shareholders have the right to decide and vote on various matters such as; right to acknowledge the Company's operating results; right to approve the Company's financial statements; right to receive their share of profits; right to propose agenda items; right to nominate qualified candidates as the board of directors and individual directors; right to approve the remuneration of board of directors; right to approve the appointment auditors and the remuneration of audit; and right to approve the connected transactions. And basic rights of shareholders in accordance with related regulations and law.

Section 2 Section 2 Equitable Treatment of Shareholders

The Board of Directors is aware of the rights of shareholders and places emphasis on equitable and fair treatment of all shareholders, whether or not such shareholders are executives, of certain nationalities, or own a significant portion of the Company's shares. As such, the Company has a policy on treating shareholders with equitability, as well as protecting and retaining basic rights of shareholders. Shareholders have equal rights in the purchase, sale, or transfer of shares, receiving a share of the Company's profits, receiving sufficient information concerning the Company and its operations, attending shareholders' meetings to vote on various matters such as the appointment of directors or revocation of directorship, appointment of external auditor and determination of auditor remuneration, as well as key matters including dividend payment, determination or modifications to the Articles of Association and Memorandum of Association, increase or decrease of share capital, and approval of special transactions.

The equitable treatment of shareholders are the following details.

2.1 Shareholders' Meeting

- Shareholders have equitable of their rights to cast into the vote, a shareholder has 1 vote for 1 share in the Company, enabling participation in the Company's key decisions.
- The Company gives shareholders the opportunity to propose matters to be included as agenda as well as to propose persons to be considered for election as director in the Annual General Meeting at least 1 month in advance before the date of the Annual General Meeting, in accordance with the Company's guidelines.
- The Company sends out invitations to shareholders' meeting together with supporting documents in the consideration of each agenda item and the opinion of the Board of Directors for every agenda at least 7 days prior to the date of the shareholders' meeting, unless specified otherwise in the notification, announcement, order, or specification of the Stock Exchange of Thailand and Securities and Exchange Commission. The Company also discloses such invitation to share holders' meetings on the Company website at least 1 month prior to the date of the shareholders' meeting such that shareholders have sufficient time to carefully study the information and make informed decisions. The invitation to shareholders' meeting will be prepared in Thai and disclosed together with an English translation of the whole document.
- The Company informs shareholders of the specification and methodology in attending shareholders' meetings in the invitation to shareholders' meetings, as well as the methodology and process associated with voting, vote counting, and voting rights of different classes of shares at the start of the meeting. During the meeting, the Company will arrange for a clear process of information presentation, inquiries, voting, and resolution of each agenda. The Company gives shareholders the opportunity to submit inquiries in advance, as well as facilitates shareholders in opening registration 1 hour prior to the meeting time and enabling until the end of the meeting.
- The Company will not deprive shareholders of the right to receive information on the Company as required in accordance with various regulations, as well as during shareholders' meetings such as unexpectedly failing to distribute additional documents containing important information, denying the addition of agenda items or modification of key information without informing shareholders in advance, and denying access to the meeting for shareholders arriving late.
- The Company facilitates and encourages shareholders and proxies in attending shareholders' meetings and exercising votes by proceeding with the order as specified in the invitation to shareholders' meetings, denying unnecessary additions to the agenda by executives without informing shareholders in advance especially for agenda of importance which share holders require time to consider facts before arriving at a decision, allowing shareholders and proxies attending the meeting to express opinions, provide suggestions, and make inquiries in each agenda with suitable and sufficient amount of time, and allowing shareholders to vote on the appointment of directors on an individual basis.

- In case that shareholders are unable to attend the meeting, the Company facilitates in giving proxy to independent directors or any other persons to attend the meeting in the shareholders' place and prepares Proxy Form B, in which shareholders may specify the allocation of their votes on each agenda, available for download from the Company website. As such, the Company will propose names of at least 1 independent director for shareholders to consider and give proxy.
- The organizing of shareholders' meeting, the Company will use a place that is convenient for traveling, by provide a map which shows the meeting place of shareholders in the invitation letter. Including, arrangement with the appropriate date, time, and allocate sufficient time for the meeting in order to comply with the policy that will facilitate the shareholders of the Company.
- The Company arranges for the clear, accurate, completely record of minutes of the meeting and meeting's resolutions such that shareholders are able to perform checks, and will disclose such minutes of the meeting on the Company website after submission to the Stock Exchange of Thailand.

Moreover, the Company regularly discloses information to shareholders through the Stock Exchange of Thailand's communication channel as well as the Company website.

2.2 Conflicts of Interest

The Company focused on the considering to elimination of conflicts of interest and operate with honesty and independence under the framework of good ethics for the company' overall benefit. As such, to create transparency and prevent any attempts to seek personal benefits, the Company stipulates that directors, executives and related parties are to disclose information on their stakes to the Board of Directors through the Company Secretary, as well as report the ownership of the Company's securities to the Board of Directors in compliance with Securities and Exchange Law as well as notification, announcements, orders, or regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. In addition, during executive meetings and the Board of Directors' Meetings, persons with conflicts of interest or persons who may have conflicts of interest are to abstain from expressing their opinion and voting on the matter.

The Company has also set policy and approval procedure for transactions with conflicts of interest or related party transactions, specifying the disclosure of information regarding the names and relationship between related parties, pricing policy, value of transaction, as well as the opinion of the Board of Directors on the transaction, strictly in compliance with the notification of the Stock Exchange of Thailand and Securities and Exchange Commission on related party transactions for overall equitable benefits of shareholders. Moreover, the Company will also disclose related party transactions the Annual Report (56-1 One report) as well as in the notes to financial statements which the Company's external auditor has audited.

2.3 Monitoring Use of Internal Information

The Company is aware of the importance of instances where the Company's internal information is used for personal benefit. As a result, internal information policy is set to prevent directors, executives, and personnel from disclosing such information to other parties or exploiting such information for personal benefit, benefit for others, or enter into transactions which may pose conflicts of interest. The Company would like to inform directors, executives, and personnel that:

- Directors, executives, and personnel of the Company shall retain secrets and/or internal information and shall not disclose such secrets and/or internal information or seek personal benefits or benefit for others whether directly or indirectly, and whether or not compensation is exchanged, unless such information has been publicly disclosed by the Company.
- Directors, executives, and personnel of the Company who have access to financial information of the Company and/or information of significance which has an impact on securities price shall avoid the purchase or sale of the Company's securities 1 month before the disclosure of financial statements or internal information and 24 hours after the disclosure of such information. Information of significance are not to be disclosed to other individuals including spouse and minor children of directors, executives, and personnel of the Company. Violation of such stipulation constitutes severe wrongdoing and the Company will issue a letter of warning. Should such action continue, the Company will dismiss such individual without severance pay.

In addition, the Company provides training to educate directors and executives. Regarding, to report property holdings of one's, spouse, and minor children to the SEC Office in accordance with Section 59 and the penalties under Section 275 of the Securities Exchange and Exchange Act B.E. 2535. The directors and executives have a duty to report the acquisition and changes in securities holdings to the SEC Office. In accordance with Section 59 of the Securities Act. 2535 within 3 business days following the transaction date and send a copy of this report to the Company on the same day the report is submitted to the SEC Office.

Section 3 Roles of Stakeholders

The Company places emphasis on the rights and equitable treatment of stakeholders in relation to the Company's business operations both internally. The Board of Directors is aware of the rights of stakeholders and the treatment of stakeholders in accordance with such rights, conditions, laws, and regulations such that stakeholders are treated well. The Board of Directors will consider the arrangement of having a process which supports cooperation between the Company and stakeholders to create financial wealth and business sustainability. As well as, the efficiently disclose adequate and sufficient information to stakeholders, and will not take any action which would deprive the rights or create adverse effect to stakeholders.

3.1 The policy on treatment of stakeholders by the company's good corporate governance to several key stakeholder groups are as follows.

Shareholder	: The Company is committed to better represent the shareholders in business to create maximum satisfaction for shareholders by taking into account of the growth of value of company in long-term and actions reveal information in a transparent and credible.
Employee	: The Company recognized the importance of employees as the supporter of company's work plans and the one who help drive company to the determined business objective. Thus, the company treats all employees fairly and equally. The company also encourages employees to participate in the atmosphere felling safe at work by setting clearly and concisely steps of working, choosing equipment that meet the safety standard, analyze safety risk to establish appropriate defensive control measures, communicate with employees to make them understand and work in the common direction, create good working atmosphere and team building. These help build team confidence and spirit in working as well as ensure employees' well-being.
Executive	: The Company recognizes the importance of the executives as the people who plays important roles in determining strategic directions and business plans as well as controlling the Company to move in the right direction to achieve the target determined by the board of directors. To show our awareness, the Company proposes appropriate and fair compensation to the executive in order to compensate and motivate the executive's intention and effort in management to achieve company's determined target.
Business Partners	: The Company recognizes the importance of the Company's business partners that help support and drive business to achieve its determined growth and target. Thus, the Company will treat all the partners equally and fairly on the basis of fair return to both parties and strictly comply with trading condition.
Customers	: The Company recognize the importance of customers by giving first priory to maintaining good and sustainable relationship with them, complying with contracts, agreements or conditions transparently, committing to meet and serve goods and services for satisfaction and confidence to customers and disclose customers secret information.
Trade Partners	: The Company conducts fair practice with all trade partners, strictly complies with trading conditions and not demand or receive any dishonest benefits from the trading partners.

Creditors	: The Company complies with agreements between the Company and its creditors by paying creditors in a timely manner to creating trust and sincerity among each other.
Competitors	: The Company complies with competitor in a frame of fairly rule and emphasize on creating of business competitive edge by developing the Company's potential, not to seek confidential information of business competitors in an improper or dishonest manner or damage the reputation of our competitors either directly or by indications.
Environment	: The Company places important on environment preservation by preventing environmental impact which may incur and exceed legal limit as well as increase efficiency of resources usage and controlling its environmental impact in accordance with the laws and regulations.
Community/ Society	: The Company recognizes the supporting in activities of promoting quality of life and cultivating social responsibility spirit to employees at all level that can lead to the development in community, society and environment.
Government Sectors and Related Units	: The Company recognizes the roles, duties and responsibilities of government sectors and related units and has a strong intention of cooperating with them to lighten their loads by complying with related rules, regulations, and laws. In addition, the secretary is assigned to responsible for inspecting and reviewing the compliance with related rules, regulations, and laws and the performance of internal auditors whether it in accordance with the manual and related standard or not before sending the report of review and inspection to the board of directors annually.

The Company also arranges communication channels to notifications of leads, complaints, opinions, or suggestions which indicate that stakeholders have been affected or are at risk of being affected, which would lead to damage being inflicted on all stakeholder groups, by the Company's operations, actions of personnel regarding unlawful or unethical practices, and actions which may indicate fraud, inequitable treatment, or actions lacking caution and prudence. Such notifications or inquiries are made to the Audit Committee through the Secretary of the Audit Committee and the Company will investigate in accordance with the process without disclosing information on the whistleblower and treating as confidential to protect such whistleblower from any impact which may occur, and report to the Board of Directors.

3.2 Anti-Fraud

The Company has specified a framework for the Company's Code of Conduct on matters such as conflicts of interest, the safeguard of confidential information and use of internal information, and the acceptance of gifts, assets, or other benefits. All personnel are prohibited from requesting gifts, assets, or other benefits which contribute to motive in the execution or non-execution of wrongful duties or any action which could lead to personal benefits for oneself or family.

The Company provides channels for all stakeholders who have complaints, suggestions or any doubts about illegal, unethical practices, code of conduct inaccurate financial reports, or a defective internal control system. Which can notify or inquire by directly filing a complaint to the Chairman of the Audit Committee by contacting the secretary of the audit committee. The Company will carry out the complaint justly and secretly

in accordance with the petition process and result of the investigation will be reported to the board of directors.

Report fraud and corruption clues

Miss Nattiya Charusombat
Secretary of the Company's
email : info@caz.co.th

Other communication channels

Human and Resources Department: 098 - 586 - 6616
Safety and Environment Department : 038-606 242 Ext. 326

In order to protect the rights of the whistleblower, the complainant and the informant, or those who participated in the

investigation, the Company will conceal name, address, and any information that can possibly identify them. In addition, the Company will keep all information confidential. Only responsible person who conducts the investigation will be able to access such information.

Section 4 Disclosure and Transparency

The Company place the importance of the disclosure of information crucial to the decision-making process to investors and stakeholders of the Company. The information to be disclosed are including both financial and non-financial statements and reports which are disclosed by correctly, accurately, on a timely basis and transparently, through the proper channels that users can fairly and trustfully access. This is to ensure that shareholders and all stakeholders are equally receiving information in accordance with regulations of the Stock Exchange of Thailand and Securities and Exchange Commission through the Stock Exchange of Thailand. The Company has disclosed the information of company via the annual report, media and publishing information of the stock exchange of Thailand and the Company's website both Thai and English version.

4.1 Board of Directors' Report

The Board of Directors is responsible for the preparation of financial reports and financial information, in accordance with international accounting standards generally accepted in Thailand and with related laws, which have been audited by the independent external auditor. Accounting policies chosen are appropriate and consistently applied, with preparation done with cautious discretion and sufficient disclosure of key information in the notes to financial statements. The Board of Directors has appointed the Audit Committee responsible for monitoring the quality of financial reports and internal control system, with disclosure of the opinion on such matters to be included in the Audit Committee Report section of the Annual Report together with the Report on Responsibilities of the Board of Directors to Financial Statements and the Auditor's Report.

4.2 Investors relationship

Board of Directors placed focusing on the disclosure of information that is accurate, complete, and transparent in terms of disseminating various news and general information. Additional, the important information that may affect the Company's stock price for shareholders, investors analysts and other investors. All the Company's information is disclosed through the Stock Exchange of Thailand's communication channels. Including, publishing and/or other publications such the Company's website (www.caz.co.th). Shareholders and investors may contact the Company's investor relations officer, Ms. Nattiya Jarusombat, through telephone at 038-606-242 or through e-mail at info@caz.co.th.

The Company participated in opportunity day activities organized by the Stock Exchange of Thailand. Generally, the executives are participating in this activities and answer questions for investors, analysts and the general public who participated in the activities are Chief Executive Officer, Director, and Chief Financial Officer. In the past year, the company Participated in investor relations activities a total of 3 times.

Section 5 Responsibilities of the Board of Directors

The Board of Directors consists of persons with knowledge, expertise and experiences that can benefit the Company. They play a key responsibility in approving business strategy and business directions, including, following up results of the Company operating by quarterly. Moreover, they pay attention into the internal control and internal audit for the benefit of the company and shareholders. The Board of Directors not only place emphasis into the company's financial performance, but also emphasis into ethics, social, and environmental impact as well. The Board of Directors has appointed a number of sub-committees to assist in the corporate governance of the Company totaling to 4 committees such Audit Committee, Executive Committee, Risk Management Committee, and Nomination and Remuneration Committee. The Company has separated the roles and responsibilities of all committees to ensure independence of decision-making and operating's vision.

As at 31 December 2022, the Board of Directors consists of 9 directors, with 3 directors who are not executives, with complete qualifications as independent directors, making up no less than one-third (1/3) of the total number of directors, to serve as checks and balances in the consideration of various matters and to oversee management practices of executives for the greatest benefit of the Company.

The company has a policy to separate the position of the Chairman of the Board of Director and Chairman of Executive

Committee/Chief Executive Officer are different persons. In order to prevent having unlimited power to manage the Company's operation.

However, the Company Secretary performs the task of advising on various regulations that the Board of Directors should be aware and should ensure compliance in the Board's activities, as well as coordinate for compliance with the Board of Directors' resolution. The responsibilities of the Board of Directors are following;

5.1 Corporate Governance Policy

The Board of Directors have established corporate governance policies of the Company in written which cover the equitable treatment of shareholders. Including, placed emphasis on the Company's operation with highly benefits, a sustainable and stable growth in the long-term business operation. Together with, carefully of the performing duties of their best abilities and sufficient efficiency for the best interests of shareholders and related stakeholders. Especially, in terms of risk management which is assessed strategize and monitoring risk management appropriately and regularly.

In specifying guidelines for operations, the Company places emphasis on internal control and internal audit, whereby the Board of Directors will evaluate the sufficiency of the Company's internal control system every year in accordance with good corporate governance principles set by the Stock Exchange of Thailand. Moreover, all committee and the management team are attending to Thai Institute of Directors Association (IOD) and other training programs continuously to gain knowledge on duties of committee and the management.

5.2 Anti - Corruption

The Company is aware of and gives importance to anti-corruption both inside and outside the organization. The Company commits to conduct business with transparency and accountability which can be audited in all working processes and procedures and the Company does not accept all forms of corruption. Besides, the Company regulates policies and measures to prevent and combat corruptive activities. The Company communicates with employees of all levels and the organizational ethics is determined to encourage all employees to be aware of corruptive actions as the Company realizes that corruption destroys business, society, and the country. Therefore, the implementation of anti-corruption must come from the intention of all agencies and sectors to join their forces to drive, instill, and enhance corruption-free for Thai society.

5.3 Code of Conduct

The Company has set the ethical practices of the Board of Directors, executives and employees to all relevant guidance in the performance of its mission with integrity and equitable treatment to company and all groups of stakeholders. The company has announced and informed to all employees to know and practice strictly.

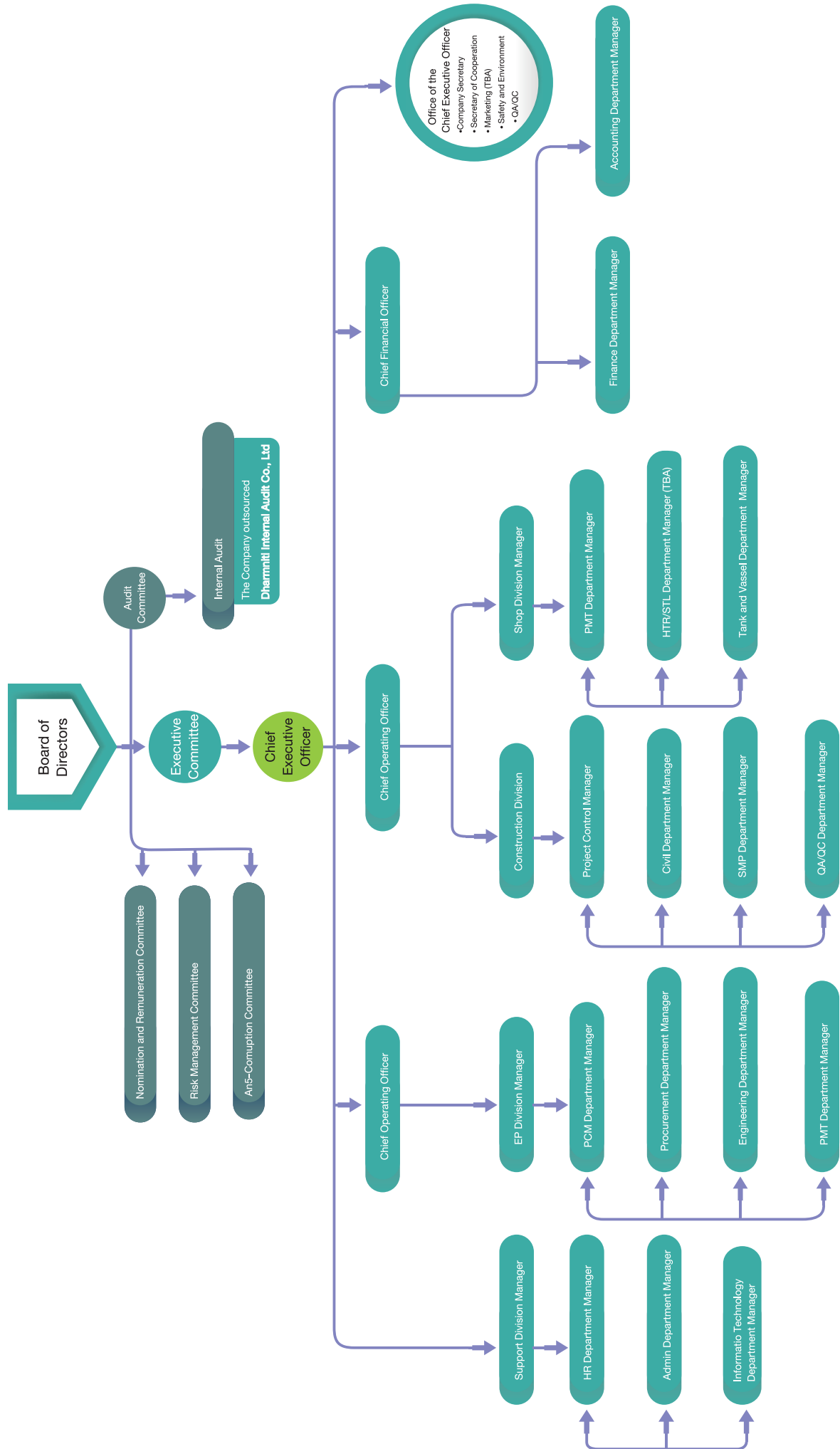
5.4 Conflicts of Interest

The Board of Directors set policy on conflicts of interest on the basis of making any operational business decisions solely for the greatest benefit of the Company and the avoidance of any actions which may pose as conflicts of interest. Related parties are to inform the Company of the nature of relationship in such transactions, abstain from the consideration of such transactions, and do not have the authority to approve such transactions.

The Audit Committee will report to the Board of Directors on related party transactions and transactions with conflicts of interest after careful and appropriate consideration. The Company is also in strict compliance with the guidelines of the Stock Exchange of Thailand and Securities and Exchange Commission with regards to the determination of price and terms with persons who may have conflicts of interest as if such transaction were done with normal persons on an arm's length basis as well as disclosure of information memorandum as specified by the Stock Exchange of Thailand. The Company will also disclose information on such transaction in the financial statements and Annual Report.

Management Structure

The Company's organization structure as at 31 December 2022 as follows



The Board of Directors Structure

The directors structure of the Company consisting of the Board of Directors and 4 sub - committees such; Audit Committee, Executive Committee, Risk Management Committee, and Nomination Remuneration Committee. The qualifications of these committees have to have the multi-qualified expertise and experiences. Which are the most important to support business operations to achieve strategic and sustainable.

Board of Directors

- As at 17 January 2023, the Board of Directors comprises of the following 9 directors.
- 3 independent directors (34% Of the entire board)
- 2 Directors (Executive) (22% Of the entire board)
- 4 Directors (44% Of the entire board)

Name of Director	Position	Date of Appointed	Training of Role and function Skill of director ²
1. Mr. Narongrit Tavorvisitporn	- Chairman of the Board of Directors - Independent Director - Audit Committee member - Nomination and Remuneration Committee member	- 23 November 2017 - 23 November 2017 - 23 November 2017 - 24 January 2018	Director Certification Program (DCP) Class of 166/2012
2. Mr. Natie Tabmanie	- Chairman of the Audit Committee - Independent Director - Nomination and Remuneration Committee member	- 11 November 2019 - 11 November 2019 - 11 November 2019	Director Certification Program (DCP) Class of 168/2020
3. Mr. Yingyong Techarungnirun ^{1/}	- Audit Committee Member - Independent Director	- 23 November 2017 - 23 November 2017	Director Accreditation Program (DAP) Class of 145/2018
4. Mr. Chung Sik Hong	- Chairman of Executive Committee - Director (Executive) - Chairman of Risk Management Committee - Chairman of Anti-Corruption Committee	- 6 February 2014 - 6 February 2014 - 22 February 2018 - 9 November 2022	Director Accreditation Program (DAP) Class of 146/2018
5. Mr. Prasert Treeveeranuwat	- Director (Representative from TAKUNI Group) - Executive Committee member - Risk Management Committee member	- 11 March 2016 - 1 December 2015 - 22 February 2018	Director Accreditation Program (DAP) Class of 103/2013
6. Ms. Nita Treeveeranuwat ^{4/}	- Director (Representative from TAKUNI Group) - Executive Committee member	- 1 December 2015 - 1 December 2015	- Director Accreditation Program (DAP) Program Class of 100/2012 - Director Certify Program (DCP) Program Class of 208/2015

Name of Director	Position	Date of Appointed	Training of Role and function Skill of director/2
7. Mr. Somchai Kanbuakeaw	<ul style="list-style-type: none"> - Director (Representative from TAKUNI Group) - Chairman of Nomination and Remuneration Committee - Risk Management Committee member - Executive Committee member 	<ul style="list-style-type: none"> - 1 April 2015 - 24 January 2018 - 22 February 2018 - 1 December 2018 	Director Accreditation Program (DAP) Class of 129/2016
8. Ms. Kanchana Rimpanichayakij ^{3/}	Director (Representative from TAKUNI Group)	- 17 September 2018	Director Accreditation Program (DAP) Class of 103/2013
9. Mr. Yeong Cheol Choi	Director (Executive)	- 29 February 2020	Director Accreditation Program (DAP) Class of 146/2018
10. Mr. Somyos Tiranawatananun ^{3/}	Director (Representative from TAKUNI Group)	- 17 January 2023	Director Accreditation Program (DAP) Class of 134/2017

Note: ^{1/} Mr. Yingyong Techarungnirunt is an Audit Committee who had knowledge and experience to review the financial statements.

^{2/} DAP = Director Accreditation Program DCP = Director Certification Program

^{3/} Ms. Kanchana Rimpanichayakij resigned from a director of the Company with effective since 16 January 2023 and the Board of Directors' Meeting No.1/2023 appointed Mr.Somyos Tiranawatananun as a director of the Company replaced with effective from 17 January 2023.

^{4/} Ms. Nita Treeweeranuwat resigned from a director of the Company with effective since 10 March 2023 and the Board of Directors' Meeting No. 4/2023 appointed Mr. Prapas Kong-led as a director of the Company replaced with effective from 14 March 2023.

Authorized Director

Mr. Chung Sik Hong and Mr. Somchai Kanbuakeaw or Ms. Nita Treeweeranuwat are directors authorized to act on behalf of the Company through joint signatures and affixed Company seal.^{1/}

Note : ^{1/}Ms. Nita Treeweeranuwat resigned from a director of the Company with effective since 10 March 2023. The Board of Directors No. 3/2023 on 10 March 2023 has passed the resolution to approve the appointment of authorized directors to be Mr. Chungsik Hong signed with Mr. Somyos Tiranawattananun or Mr. Somchai Kanbuakeaw are directors authorized to act on behalf of the Company through joint signatures and affixed Company seal.

Board of Directors

Scope of duty and responsibility

The scope of duties and responsibilities of the Board of Directors are as follows:

1. Oversees and monitors the company's business operations to be in line with what shareholders approve and laws that govern the company including the objectives, regulations, resolutions in the meetings of shareholders and resolutions of the company's Board of Director.
2. To Set up policies, considering and approve visions, missions, strategies, goals, business plans, budget, risk management policy and appropriate internal control systems including improvement all strategies for the changes to be in line with the Company's situations.
3. Monitoring and supervision to the Company's executive managing in order to accordance with the policies, plans and budgets which are setup with efficiency and effectiveness. Including determining remuneration and review the succession planning.
4. Considering and approval the organizational structure and authorization of management. The appointment of the Executive director, Chief Executive Officer, and other appropriate sub-committees. Including, the determining scope of management and duties of the Executive Committee, Managing Director and various subcommittees appointed, covering

details of the selection of candidate, recruitment, transfer, training and termination of the Company's employees who are management team or senior management. These are assigns the Managing Director to be authorized on behalf of the Company to sign an employment contract.

5. The Board of Directors may delegate the authority to one or more directors or any other person to perform any act on behalf of the Board of Directors by under the control of the Board of Directors. Moreover, may give the authorization to such person to have the authority as the Board of Directors agree within the specific period, or the Board of Directors deems appropriate. However, the Board of Directors may revoke, change or amend such authorized the power when it deems appropriate depending on situations.
6. The appointment of sub-committees to responsible and supervise the Company's operations in order to achieve the goals and objectives.
7. Considering of the profits allocation for dividend payment. and propose to the shareholders' meeting for consideration and approval.
8. Appointing a company secretary to performing and responsible for various duties on behalf of the Company or the Board of Directors, such as the director registration, Board of Directors' meeting invitation letter, and the shareholders' meeting invitation letter.

Audit Committee

The scope of duties and responsibilities of the Audit Committee are as follows:

1. To ensure of the accuracy and reliable of financial reports, the Audit Committee has responsible to reviewing by coordinating with external auditors and management responsible of financial reports. These reviewing are both quarterly and annual financial reports, including the disclosure of relevant information of the Company sufficiently before presenting to the Board of Directors.
2. Auditing of the Company's internal control and internal audit in order to have an efficiency and appropriation. Including, considering the internal audit's independence, appointment, transfer and dismissal of the head of the internal audit or any other agency responsible. Moreover, propose the suggestions of the important and necessary of the internal control improvement to report with the Board of Directors.
3. Review the compliance with regulation and law of Securities and Stock Exchange of Thailand or the requirements of stock market including policies, rules, regulations and other laws related to the Company's business.
4. Considering and selection the qualification of an independent person to act as the Company's auditor. Including considering the audit fee of the Company's auditors to propose to the Board of Directors and shareholders' meetings for approval. Throughout, coordinating with the auditor on the audit objectives, scope, guidelines, plans and problems encountered during the auditing and issues that consider to be material for the Company.
5. Consider of the Company information and disclosure in term of the connected transaction or items that may have conflicts of interest. To be in accordance with laws and regulations of the Stock Exchange of Thailand. Moreover, it has to be accurately and completely disclosed information in order to ensure that such transactions are reasonable and for the best benefit of the Company.
6. Review the Company's risk management for the appropriate and efficiency. And perform any other acts as the Board of Directors assigned and approved by the Audit Committee. For example, reviewing the management's compliance with the Code of Conduct, financial management policies, and risk management policies.
7. Report the performance of the Audit Committee to the Board of Directors at least 4 times per year. And attend the meeting with the auditor without the management at least once a year.
8. According to the Company's regulations, the Audit Committee has right to recruit of consultants or assistance persons to give opinions or give advice. If the hiring external assistance are necessary and appropriate in accordance with the scope of work at the expense and regulations of the Company.
9. The Audit Committee has to provide the Corporate Governance report and be disclosed in the Company's annual report. The report be signed by the Chairman of the Audit Committee and contain the following information such; opinion on the accuracy, completeness and reliability of the Company's financial reports; opinions on the adequacy of the Company's internal control; opinion on the suitability of the auditor comments on transactions that may have conflicts of interest; number of Audit Committee meetings and the attendance of each audit committee; overall opinions or observations

received by the Audit Committee from performing duties under the Charter; and other items that shareholders and general investor concern under the scope of duties and responsibilities assigned by the Board of Directors.

10. The Audit Committee shall assess its performance by self-assessment. And reporting the results of assessment together with problems, obstacles in the performance that may cause it fail to achieve the objectives of the establishment of the Audit Committee to the Board of Directors every year.
11. As other tasks that the Board of Directors assigned to the Audit Committee within the scope of duties and responsibilities in performing those duties. The Audit Committee has to directly responsibilities to the Board of Directors and operations to third party or other stakeholders.
12. In performing of the Audit Committee's activities, in case, found or suspected of any item of fraud or action which may have a significant impact on the financial position and operating results of the Company. The Audit Committee shall report to the Board of Directors of the Company. In order to make the appropriate improvement by time frame which specified by the Audit Committee. If the Board of Directors or executives do not take action to rectify within the above time of those improvement. Any member of the Audit Committee may report the transaction or act under to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
13. Regularly review and adjustment the duties to be appropriate. In case of changing on any duties of the Audit Committee, the Company shall notify the changing to the Stock Exchange of Thailand.

However, if have any requirement or necessary, in order to have the efficiency performance of the Audit Committee's duties. The audit committee may recruit the independent opinions from any other professional advisor as appropriated or depending on the Company's situation under the Company's expenses.

Nomination and Remuneration Committee

The scope of duties and responsibilities of the Nomination and Remuneration Committee are as follows:

Recruitment

1. Considering the qualifications of the directors to be nominated in accordance with the Company's structure, sizing, and composition which as determined by the Board. Including, determining appropriate recruiting methods in order to suitable with the size, type, and complexity associated with the company's core business or industry.
2. Consider to propose name list of suitable persons to be a director, an executive director, and senior management of the company.
3. Moderation of nominated name list to be directors or executive by review the background and legal qualifications and requirements of the official authorities of the nominees. and propose to the Board of Directors for consideration.
4. When the Board of Directors due on term of retirement, the Nomination and Remuneration Committee has to review their performance, qualifications. And consider the suitability to select the rotation to be as directors in the next term with the Board of Directors. In order to consideration, and approval by the meeting Shareholders to appoint as directors of the Company.
5. In the event of changed which related to the Board of Directors qualifications, the Nomination and Remuneration Committee has the responsible to review the suitability of holding the position of the Company's director.
6. Consider the succession plan of the high-level executives.
7. Consider the development and succession plan, including other duties performing as assigned by the Board of Directors.

Remuneration

1. Consider, setting and written remuneration policies which are the compensation to the Board of Directors, and sub - committees which appointed by the Board of Directors.
2. Determination and approval the remuneration's value, criteria, and payment form. Both the salary and other benefits paid to the Directors, Executive Director, Managing Director and the Company's executive advisor.
3. Consider the criteria of assessing for the Board of Directors, sub-committees, Executive and to propose to the Board of Directors to consider and giving the approval.

Executive Committee

The scope of duties and responsibilities of the Executive Committee are as follows;

1. Having the authority which assigned by the Board of Directors to make decisions on important operations of the Company with specifying the scope, type or size of the business, objectives, guidelines and policies. The scope of the assigned authority including oversight of overall operations, productivity, customer relations.
2. Raised fund consideration, investment plan for the Company's business expansion, and investing on the Company's fixed assets. And propose to the Board of Directors for approval.
3. As the representative of the Company, the Executive Committee shall have an acting or represent the business to third parties, or other beneficial parties who have the related with the Company's business.
4. The approval and appointment of consultants or assistances, if necessary, which related to the Company's operation.
5. Performing of the Company's general managing, including, considering and approving the action plans of each department. And has duties to consider and approve when some departments couldn't perform because of it exceed the authorities assigned.
6. The Executive Committee may assign and assigning the authorities and duties to each executive director. To performing within the scope of the executive committee's authorized and duties as specified. And that executive director person shall be responsible to report of that work assigned directly to the Executive Committee.

Risk Management Committee

The scope of duties and responsibilities of the Risk Management Committee are as follows;

1. Set up policies, strategies, and frameworks for corporate risk management. Including, consider potential impacts which might occurred by determine the risk management plan of management team. And the overall risk management process of the Company.
2. Regularly, follow up and supervise the management team to have the operating performance comply with risk management plan, policies, or strategies. Together with continuous report directly to the Board of Directors on a regular basis.
3. Review and give the appropriated opinion of the acceptance of risks management plan and propose to the Board of Directors to acknowledge.
4. Preparing and review the risk management report, to follow up and ensure major risks are resolved or operated by adequate and appropriate.
5. Coordinate with the Audit Committee on important risks issue. Moreover, has an internal audit to review to ensure that the Company has risk management with the suitable internal control. Including, implement the risk management throughout the organization by appropriately.
6. Review and assess the policies, strategies and risk management guidelines at least once a year. And in every period which found the level of risk has changed.

Anti-Fraud and Corruption Committee

The scope of duties and responsibilities of the Anti-Fraud and Corruption Committee are as follows:

1. Define the Company's anti-corruption policy and measures.
2. Prepare the Procedure of good practice guidelines, Regulations relating to the prevention and anti-corruption, and financial approval authority to comply with relevant policies and orders. Including penalties if executives and/or employees fail to comply follow to the procedure and/or regulations mentioned above.
3. The assessment and review of corruption risks of each unit annually or periodically as deemed appropriate and appropriate. Set up preventive measures to prevent risks from corruption that are concise and suitable for business operations Company's business.
4. Prepare a self-evaluation form on anti-corruption measures. Arrangement for a review at a specified time.
5. Organize development training for all executives and employees at all levels. To have knowledge and understanding in the matter of anti-corruption.
6. Review plans, policies, risk assessments and various measures on corruption as deemed appropriate and periodically in order to have measures to supervise and monitor in order to reflect transparent operations and have good operational guidelines ready to be checked at any time.

7. Provide communication public relations and monitor the operations of all departments in accordance with the Anti-Corruption Policy Corruption as specified by the Company.
8. Report complaints of corruption occurring in the organization to the Audit Committee.
9. Perform any other tasks assigned by the Board of Directors. or the Audit Committee has assigned Being a case by case.

The Board of Directors' and Sub – Directors' meeting

The Board of Directors has meeting scheduled at least 4 times per year, with regular a meeting every quarter and additional special meetings as appropriate and necessary. The agenda of meeting is clearly set up and has the regular agendas to consider of the Company's operating results. The Board of Directors' meeting quorum consisting of the total number of directors to be at least 2 of 3 of total directors. In 2022, the Board of Directors meeting were amounting to 5 times.

Company Secretary send the meeting invitation letter with agendas and supporting documents of each matter. It has prepared and send out at least 7 days in advance of the meeting date. Lead to the Board of Directors had enough time to study information before attending the meeting. Unless it is urgent matter that requires consideration. In addition, the company secretary has been prepared schedule of meetings in advance throughout the year. Including, to notified all directors at the beginning of the year so that they can fully plan the meeting.

Director's Remuneration, Sub – Committees and Executives

The Company has a policy to offer compensation to directors and executives at an appropriate level which induces incentive, taking into account operating results of the Company, comparability to other companies in the same business or industry, and in line with the roles and responsibilities of each director and executive.

The Company takes caution to offer compensation at an appropriate level, competitive between peers in the industry, to maintain qualified executives. Executives with greater roles and responsibilities will be rewarded greater compensation fit to the position. Compensation paid to executive committee members and executives will be considered in line with operating results of the Company and performance of individual executives. However, compensation for the Board of Directors and subcommittee will be proposed in the Board of Directors' Meeting for consideration and the Annual General Meeting for approval each year. And also, the amounting of remuneration might be changed because it's rely on the resolution of the Shareholders' Meeting.

Executives

As at 31 December 2022, the Company has 7 executives with details as follows.

Name	Position ^{1/}
1. Mr. Chung Sik Hong	Chairman of the Executive Committee / Chief Executive Officer
2. Mr. Yeong Cheol Choi	Chief Operating Officer / Engineering and Procurement Division Manager (Acting)
3. Ms. Phornthiphat Khantheevit	Chief Financial Officer / Executive Committee Member
4. Mr. Wang Youp Jhee	Chief Operating Officer / Construction Division Manager
5. Mrs. Wimol Wehanarat	Support Division Manager
6. Mr. Hyun Yul Lee	Shop Department Manager
7. Ms. Maliwan Sriwasasom	Accounting Manager

Note : ^{1/} Executive refers to a manager or the next four executives succeeding the manager and every person holding an equivalent position to the fourth executive, including persons holding the position of departmental manager or equivalent or higher in accounting or finance. Please refer to the Appendix for additional details on executives.

Compensation for Executives

Compensation the Company's Executives, such salary and other benefits for 2020 - 2022 are follows.

Details	2020	2021	2022
Salary	14.99	15.41	16.00
Bonus Provident fund and other compensation ^{1/}	0.70	5.29	6.93
Car	Yes	Yes	Yes
Total	15.69	20.70	22.92

Note: ^{1/} The Company and its subsidiary has set up a provident fund which the Company contributes 3-5% (depending on employment duration) of the employee's salary

Employees

The total number of employees of the Company (excluding Executives) as at 31 December 2020 - 2022 following details.

Department	Head Count (Person)												
	As at 31 December 2020				As at 31 December 2021				As at 31 December 2022				
	Thai	Korean	Philip pines	Total	Thai	Korean	Philip pines	Total	Thai	Korean	Philip pines	Indian	Total
Company Secretary	1	-	-	1	1	-	-	1	1	-	-	-	1
Information Technology													
Department	3	-	-	3	3	-	-	3	3	-	-	-	3
Marketing Department	-	-	-	-	-	-	-	-	1	-	-	-	1
Construction Division	254	13	3	270	305	13	3	321	419	9	3	1	432
Accounting / Finance													
Department	5	-	-	5	5	-	-	5	5	-	-	-	5
Procurement Department	5	-	-	5	5	-	-	5	5	-	-	-	5
Cost CTL Team	2	2	-	4	2	2	-	4	2	3	-	-	5
Store and Warehouse Team	1	-	-	1	2	-	-	2	2	-	-	-	2
HR and Admin Department	9	-	-	9	10	-	-	10	7	-	-	-	7
Engineering Department	10	4	-	14	12	4	-	16	12	4	-	-	16
Total	290	19	3	312	345	19	3	367	457	16	3	1	477

Daily workers as at 31 December 2020 - 2022

Department	Labor (Persons)								
	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Thai	Foreigner	Total	Thai	Foreigner	Total	Thai	Foreigner	Total
Production & Erection	2,291	20	2,311	1,223	4	1,227	2,649	32	2,681

Employee Compensation

Compensation paid to employees (excluding Executives) in 2020 2021 and 2022 amounted to THB 832.82 million, THB 531.53 million, and THB 865.37 million, respectively, paid in the form of salary, bonus, social security, employee benefits, and other incentive-based compensation for example, paid out of cost savings as compared to project costs specified in the Company policy.

Provident Fund

The Company has set up a provident fund under TISCO Master Pooled Fund, which is registered under the management of TISCO Asset Management Company Limited, an asset management company in accordance with the Provident Fund Act B.E. 2530 (including its amendments). Employees taking part may choose to contribute 2-15% of each individual's salary while the Company contributes 3-5% (depending on employment duration) of the employee's salary.

Management Structure of JKEC Company Limited

Board of Directors

As at 31 December 2022, the Board of Directors comprises of the following 4 directors.

Name of Director	Position
1. Mr. Jeong Kyu Choi	Director / Chairman of the Board of Directors
2. Mr. Chung Sik Hong	Director (representative from CAZ Public Company Limited)
3. Ms. Maliwan Sriwasasom	Director (representative from CAZ Public Company Limited)
4. Mr. Wang Youp Jhee	Director (representative from CAZ Public Company Limited)

Authorized Director

Mr. Jeong Kyu Choi and Ms. Maliwan Sriwasasom are directors authorized to act on behalf of the Company through joint signatures and affixed Company seal.

Number of Employees

The total number of employees of the Company as at 31 December 2020 2021 and 2022, with the following details.

Department	Head Count (Person)								
	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Thai	Korean	Total	Thai	Korean	Total	Thai	Korean	Total
Chief Executive Officer	-	1	1	-	1	1	-	1	1
HR and General Admin Department	6	-	6	4	-	4	17	-	17
Accounting / Finance Department	2	-	2	2	-	2	2	-	2
Procurement Department	-	-	-	-	-	-	1	-	1
PMT Department	4	1	5	3	1	4	-	1	1
Construction Department	57	-	57	62	1	63	39	2	41
Total	69	2	71	71	3	74	58	4	63

Daily workers as at 31 December 2020 - 2022

Department	Head Count (Person)								
	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Thai	Foreigner	Total	Thai	Foreigner	Total	Thai	Foreigner	Total
Production & Erection	1,018	78	1,096	744	36	780	862	30	892

Compensation for employees

Total remuneration for employees of the Company (Excluding executives) in 2020 2021 and 2022 in the amount of THB 218.05 million, THB 162.09 million and THB 210.04 million respectively, which are compensation in the form of salaries, bonuses, social security, employee benefits other compensation paid to the Incentive, which is paid from the cost of saving compared to the estimated cost of the project under the Company's policy.

Labor Disputes within last 3 years

- None-

Report on significant operations in corporate governance

Summary of performance of the Board of Directors in the recent year

In 2022, the Company's Board of Directors directed and monitored the business operations, sub-committee including management team to meet the set policies in an efficient manner and comply with corporate governance.

Board of Directors is responsible for supervising, establishing and maintaining risk management and internal control system. This is to ensure that transaction records are such accurate, complete, timely and adequate for protecting the Company's assets and preventing corruption or materially abnormal operation. The board also has appointed the Audit Committee which consists of independent directors who are responsible for governing the consolidated financial statements, evaluating and reviewing the internal control system to ensure its efficiency and effectiveness.

The Company's Board of Directors took responsible for financial reports of the company and its subsidiary. Including, information appeared on the annual report, and financial statements that the audit committee verified the quality of financial reports, internal control system, and the full disclosure in the footnotes of the financial statements by presenting to the company's Board of Directors in every quarter. The preparation of the financial statements was audited by auditors permitted by The Securities and Exchange Commission Thailand and complied with generally accepted accounting principles in Thailand. Significant information related to financial and non-financial information were disclosed and implemented accurately, completely, rationally, in a reliable manner while accounting policies were used.

Besides, the Company's Board of Directors required to have preparation of performance evaluation of the Company's Board of Directors at least once a year. Evaluation results shall be used as a frame in considering roles and performance in duties, problems, and obstacles of the Board of Directors. Suggestion shall be used to improve and develop the operations.

During 2022, the Nomination and Remuneration Committee comprising 3 committees who are responsible for recruiting and selecting appropriate persons in conjunction with considering characteristics of business and future plans and future plans have set the qualifications of directors. The person must have qualifications, knowledge, abilities and experience to be able to contribute benefits to the Company's business operations. In addition, such individuals undertake their duties with responsibility, caution, honesty, business ethics, good vision and attitude towards the organization as well as having a good performance.

In 2022, the directors attended the Board of Directors, sub-committee, and the Annual General of Shareholders Meeting as details follows.

Name of Director	Sub - Committees						
	Board of Directors Meeting	Attended Meeting Portion	Executive Committee	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	Annual General of Shareholders Meeting
Mr. Narongrit Tavornvisitporn	4/5	80%	-	4/5	2/2	-	1/1
Mr. Yingyong Techarungnirun	5/5	100%	-	5/5	-	-	1/1
Mr. Chung Sik Hong	5/5	100%	5/5	-	-	4/4	1/1
Mr. Prasert Treeveeranuwat	5/5	100%	5/5	-	-	4/4	1/1
Ms. Nita Treeveeranuwat	5/5	100%	5/5	-	-		1/1
Mr. Somchai Kanbuakeaw	5/5	100%	5/5	-	2/2	4/4	1/1
Ms. Kanchana Rimpanichayakij	5/5	100%	-	-	-	-	1/1
Mr. Natie Tabmanie	5/5	100%	-	5/5	2/2	-	1/1
Mr. Yeong Cheol Choi	5/5	100%	-	-	-	-	1/1

Director Remuneration

In 2022, the Company has proposed the remuneration of the Company's directors and sub-committees to be as monthly compensation, meeting allowance, gratuities, and other compensation. Amounting not excess than THB 2.5 million. It was approved by the 2022's Annual General Meeting of Shareholders on 24 April 2022, as detailed below.

Financial Remuneration

Position	Monthly Compensation Baht / month / person		Meeting Allowance Bath / time / person	
	2022	2021	2022	2021
1. Chairman of the Board of Directors	35,000	35,000	None	None
2. Chairman of the Audit Committee	30,000	30,000	None	None
3. Audit Committee member	25,000	25,000	None	None
4. Chairman of the Nomination and Remuneration	None	None	12,500	12,500
5. Director	None	None	12,000	12,000
6. Chairman of the Nomination and Remuneration	None	None	10,000	10,000

Note: Independent directors receive only one position at the highest rate.

Remuneration to directors for the period 1 January – 31 December 2022, details are as follows:

Name of Director	2022			Total
	Monthly compensation	Board of Directors	Nomination and Remuneration Committee	
1. Mr. Narongrit Tavorntvisitporn Chairman of the Board of Directors / Audit Committee / Independent Director / Nomination and Remuneration Committee	420,000	-	116,389	536,389
2. Mr. Natie Tabmanie Chairman of the Audit Committee / Independent Director / Nomination and Remuneration Committee	360,000	-	116,389	476,389
3. Mr. Yingyong Techarungnirun Audit Committee / Independent Director	300,000	-	116,389	416,389
4. Mr. Chung Sik Hong Director / Chairman of Executive Committee / Chief Executive Officer / Chairman of Risk Management Committee / Chairman of Anti-Fraud and Corruption Committee	-	60,000	116,388	176,388
5. Mr. Prasert Treeveeranuwat Director / Executive Committee Risk / Management Committee	-	60,000	116,389	176,389
6. Ms. Nita Treeveeranawa Director / Executive Committee	-	60,000	116,389	176,389
7. Mr. Somchai Kanbuakeaw Director / Executive Committee / Chairman of Nomination and Remuneration Committee / Risk Management Committee	-	72,500	116,389	188,889
8. Ms. Kanchana Rimpanichayakij Director	-	60,000	116,389	176,389
9. Mr. Yeong Cheol Choi Director	-	60,000	116,389	176,389
Total	1,080,000	372,500	1,047,500	2,500,000

Other Forms of Compensation

- None -

Compensation for the Executive Committee

- None -

Report of the Audit Committee

The Audit Committee of CAZ (Thailand) Public Company Limited consists of three independent directors who are not executive directors, employees, or consultants of the company or its subsidiary. The committee has performed the engagements independently under Audit Committee Charter to oversee and support the Company so that the Company has sufficient corporate governance. This is consistent with the rules and guidance for the Audit Committee specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. Both in the matter of reviewing financial reports, review of risk management assessment system, review of internal control system and internal audit, consideration of appointed the auditor, Good Corporate Governance review and compliance with the law and regulation, review of connected transactions or potential conflicts of interest by using knowledge careful caution have sufficient independence for equal benefits to stakeholders.

In 2022, the Audit Committee held 6 meetings, occasionally with auditors and without management to discuss on relevant matters of the auditing. The Audit Committee agrees that the Financial Reports of the Company for the year 2022 were accurate, reliable, sufficiently disclosed, and prepared in accordance with generally accepted accounting principles. The Company's risk management process is proper and the overall internal control system of the Company is effective and appropriate for the operations. The business has complied with all laws, regulations, and obligation related to the business as well as sufficiently integrated corporate governance with work performance leading to transparency and reliability. The Audit Committee also agrees that the Company continuously improved its operation systems to be higher quality and appropriate of its business environment.

Internal control and Related Party Transaction

Internal control

The Company is aware of the importance of effective internal control systems which can support the Company to achieve its business operations. The Board of Directors has designated the Audit Committee to review the Company’s assessment of its internal control system and to regularly monitor internal control progress. The internal control system should be adequate and appropriate to the Company’s risks to ensure effective and efficient operation and resource utilization. During Audit Committee meeting, in agenda relating to the approval of internal control system and transactions, the Company’s external auditor and internal auditor are invited to attend the meeting to present, acknowledge follow-up, and explore remedial measures to promptly respond to observations on timely manner in the perspective of the appropriate scope of responsibility, operational plans, assessment of the adequacy, quality of risk management and internal control system, corporate governance as well as to ensure the compliance of all laws, regulations and requirements relating to business operation as referred in the internal control guidelines of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which devises five major compositions of internal control.



Dharmniti Internal Audit Company Limited, was appointed as the independent internal auditor from outsource. As the Company’s consideration that they have experiences, knowledgeable, qualification and capable of accounting systems and internal control sufficient to perform his duties as an internal auditor of the Company. In 2022, Miss Anutsaya Raksasorn was assigned as an internal audit to verify the internal control system, internal auditing and follow up the improvement of the internal control system. Including, operations shall comply with the determined guideline in an efficient manner including auditing legal practices and requirements related to the company. The outsourced internal auditor has performed its duties independently and reported directly to the Audit Committee.

The Audit Committee agreed to the same opinions as that of the Board of Director that the internal control system of the Company was adequate, appropriate and has preventive measure against misappropriate of assets of the Company. The Company has also provided enough employees to efficiently implement the system.



Related Party Transactions

Nature of Relationship

The Company engages in transactions with potential conflicting parties including directors, executives, and/or shareholders with the following nature of relationship.

Potential Conflicting Parties	Nature of Relationship
Takuni Group Public Company Limited (TAKUNI)	TAKUNI is the Company's major shareholder, holding 36.64% of paid-up capital through Takuni (Thailand) Company Limited.
Takuni (Thailand) Company Limited (TT)	TT is TAKUNI's subsidiary and major shareholder of the Company, holding 36.64% of paid-up capital.
G Gas Logistics Company Limited (GG)	GG is TAKUNI's subsidiary (TAKUNI being major shareholder of the Company).
Ratchapruerk Engineering Company Limited (RE)	RE is TAKUNI's subsidiary (TAKUNI being major shareholder of the Company).
Mr. Chung Sik Hong	Director, executive committee, executive, and major shareholder of the Company, holding 9.76% of paid-up capital
Mr. Yeong Cheol Choi	Executive and shareholder of the company, holding 2.55% of paid-up capital
Mr. Wang Youp Jhee	Executive and shareholder of the company, holding 2.77% of paid-up capital

Nature of Related Party Transaction

The Company has related party transactions from business dealings with persons who may have conflicts of interest, in normal business practice and fair terms of trade, with the following details.

Natural Persons / Juristic Persons who may have Conflicts of Interest	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2022 (THB)	Necessity and Rationale	Opinion of the Audit Committee
1. Takuni Group Public Company Limited (TAKUNI)	Service Income <ul style="list-style-type: none"> The Company had service income from EPC of Bangpa-Kong LPG Terminal Phase 3 (WP Ball Tank) Project for Takuni Group Public Company Limited - Service income - Electric income 	12,974,054 265,922	-none- -none-	-none- -none-	<ul style="list-style-type: none"> The Company entered into an EPC contract with Takuni Group Public Company Limited for Bang-pa-Kong LPG Terminal Phase 3 (WP Ball Tank) Project valued THB 206.55 million for a duration of 16 months. (Sep 2017 - Mar 2020). 	<ul style="list-style-type: none"> The Audit Committee is of the opinion that such transaction is normal business practice for both parties with normal pricing policy and terms of trade. TAKUNI has made price comparisons with other contractors and CAZ submitted its price based on normal terms as it would other clients. The transaction between TAKUNI and CAZ is in line with normal business practice and yields similar margin with comparable terms for CAZ when compared to projects which CAZ has performed for third-party clients.
2. Takuni (Thailand) Company Limited (TT)	Loan from Related Party <ul style="list-style-type: none"> The Company took out loans from its parent company to serve as working capital in business operations. • Beginning amount • Additional drawdown in the period • Repayment in the period • Ending amount 	-none- 279,000,000 (279,000,000) -none-	-none- 500,000,000 (500,000,000) -none-	-none- 100,000,000 (100,000,000) -none-	<ul style="list-style-type: none"> For 12 months of 2020 - 2022, the Company loan with TT of THB 279 million, THB 500 million, and THB 100 million. And repayment all total amount during period. Such transaction was incurred due to the need for short-term working capital for construction project, 	<ul style="list-style-type: none"> The Audit Committee is of the opinion that such transaction was necessary to generate benefit for the Company in utilizing the working capital to support business operations as planned.

Natural Persons / Juristic Persons who may have Conflicts of Interest	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2022 (THB)	Necessity and Rationale	Opinion of the Audit Committee
	<ul style="list-style-type: none"> Interest payments (interest rate of MLR of 2 commercial banks with an average rate of 5.61% (2020), 5.36% (2021), 5.56% (2022)) 	5,658,016	6,068,493	1,526,027	in which funding through bank loans was insufficient. The Company took out loans from a commercial bank at the interest rate of MLR - 0.5%, which is 0.5% lower than the rate which the Company paid to TT.	
3. G Gas Logistics Company Limited (GG)	Service Expense <ul style="list-style-type: none"> The Company utilized GG's construction material transportation service with service expense paid at a rate comparable to what the Company has paid to other service providers. 				<ul style="list-style-type: none"> The Company utilized GG's construction material transportation service, which constitutes normal business operations with price and terms of trade comparable to 2 other service providers. GG charges a monthly fee of THB 70,000 per month and overtime of THB 291.67 per actual hours of overtime, where the 2 other service providers charge an average monthly fee of THB 70,000 per month. The Company utilized RE's Non-Destructive Testing (NDT) service, which constitutes normal business operations with price and terms of trade comparable to 2 other service providers. 	<ul style="list-style-type: none"> The Audit Committee is of the opinion that such transaction is appropriate, based on normal business practice for both parties with normal pricing policy and terms of trade. The Audit Committee is of the opinion that such transaction is appropriate, based on normal business practice for both parties with normal pricing policy and terms of trade.
	<ul style="list-style-type: none"> - Service expense 	3,834,899	4,693,549	3,606,400		
	<ul style="list-style-type: none"> - Outstanding Amount 					
	<ul style="list-style-type: none"> - Trade payables 	2,026,418	842,626	677,416		
	<ul style="list-style-type: none"> - Accrued expense 	-none-	397,000	512,902		

Natural Persons / Juristic Persons who may have Conflicts of Interest	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2022 (THB)	Necessity and Rationale	Opinion of the Audit Committee
4. Ratchapruek Engineering Company Limited (RE)	Service Expense • The Company utilized RE's Non-Destructive Testing - ("NDT") service with service expense paid at a rate comparable to what the Company has paid to other service providers. - Service expense	17,135,585	14,374,941	24,778,507	• The Company leases office space of 204 square meters within the Company's factory premises for prompt execution of NDT service checks. Office lease contract is automatically renewed each year (if no notification of cancellation is made in writing) with lease rate of THB 59 per square meter per month, equal to the independently-appraised rate (THB 59 per square meter) with utility charges as actually incurred. • Since 1 January 2022, the Company has extended the lease of space to RE for a total area of 226 square meters, rental rate per square meter is 74 baht/month.	• The Audit Committee is of the opinion that office lease made to Ratchapruek Engineering Company Limited is making use of idle assets not used in the operations of the Company. Lease rate and utility charge are appropriate in line with market prices and of greatest benefit to all parties.
	Outstanding Amount - Trade payables - Accrued expense	13,203,665 7,756,981	6,151,724 5,555,156	2,937,302 12,022,723		
	Office Lease and Utility Income The Company received income from office lease and utilities from Ratchapruek Engineering Company Limited with lease price set at market rates and utility income charged in accordance with the electricity bill received from the electricity authority.					
	- Office lease income - Utility income	144,000 79,181	144,000 65,262	180,000 64,637		
	• Outstanding Amount - Trade receivables	43,027	35,930	43,829		

Guarantee on Bank Loans by Natural Persons / Juristic Persons who may have Conflicts of Interest

Bank	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2022 (THB)	Collateral	Guarantor
1. Siam Commercial Bank	Guarantee • Letter of Guarantee - Drawdown Amount - Promissory Note • Loan Amount - Drawdown Amount • Overdraft - Drawdown Amount	1,036,600,000 464,097,144 409,103,580 250,000,000 115,900,000 5,000,000 -none-	1,013,210,000 399,350,680 253,502,000 250,000,000 80,140,000 5,000,000 -none-	670,000,000 397,018,088 75,300,000 250,000,000 44,380,000 5,000,000 -none-	• Land and buildings title deed numbers 111802, 111803, 111804, certificate of utilization (Nor Sor 3) located at 239 Huaypong Sub-district, Muang Rayong owned by CAZ (Thailand) Public Company Limited, mortgaged as collateral.	• Takuni Group Public Company Limited ("TAKUNI") • Mr.Chung Sik Hong
2. Kasikornbank	Guarantee • Letter of Guarantee - Drawdown Amount • Overdraft - Drawdown Amount	400,000,000 400,000,000 10,000,000 -none-	118,000,000 103,676,031 10,000,000 -none-	37,000,000 34,483,044 10,000,000 -none-	• Land and buildings title deed numbers 114774, 114777, 114778, 114779, 114780, 114781, 120079 located at Bangkhae Sub-district (Lak Song), Phasi Charoen District, Bangkok owned by Takuni (Thailand) Company Limited, mortgaged as collateral. • Since 16 December 2022, the Company has changed the collateral provided to Kasikorn Bank from land and buildings, title deeds no. 114774, 114777, 114778, 114779, 114780, 114781, 120079 Bang Khae Subdistrict (Lak Song), Phasi Charoen District Bangkok which is owned by Takuni (Thailand) Co., Ltd., changed to land with buildings, title deed Nor Sor 3 Kor, No. 68, 226, 1278, 1295, 1228, located at 69 Lahan Rai Subdistrict, Pluak Daeng District, Rayong	• Takuni Group Public Company Limited ("TAKUNI") • Takuni (Thailand) Company Limited ("TT") • G Gas Logistics Company Limited ("GG") • Ratchapruek Engineering Company Limited ("RE") • Mr.Chung Sik Hong <u>Note:</u> Since 16 December 2022, Kasikorn Bank was released guarantors which are TAKUNI, TT, GG and RE from the Cooperate guarantor of the Company.

Bank	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2022 (THB)	Collateral	Guarantor
					Limited and is mortgaged as collateral to the bank.	
2. Kasikornbank (cont'd)	Guarantee • Letter of Guarantee - Drawdown Amount	23,698,800 2,369,880	-none- -none-	-none- -none-	• The Company was deposit fixed account alued THB 20,789,750 as collateral. Divided into; 1. During 2020, Letter of Guarantee line of THB 59,342,000 and guarantee amount of THB 7,417,750 for PTTGC ORP Structure Fabrication Project which will come to the end of its term on 29 February 2020. 2. During 2021, the Company has a fixed deposit account valued THB 2,369,880 as collateral for bank guarantee oversea contract amount of 118,494,000 THB for HMC PP4 Plant Project.	• Takuni Group Public Company Limited ("TAKUNI") • Mr.Chung Sik Hong
2. Kasikornbank (cont'd)	Guarantee • Letter of Guarantee - Drawdown Amount • Loan Amount • Drawdown Amount • Overdraft - Drawdown Amount	-none- -none- -none- -none- -none- -none-	592,000,000 415,505,304 20,000,000 20,000,000 10,000,000 -none-	670,000,000 432,178,897 20,000,000 20,000,000 10,000,000 -none-	• On 17 February 2021, the Company was mortgage Land and buildings of 79 Rai 188 sq. m., title deed Nor Sor 3 Kor numbers 68, 226, 1278, 1295, 1228 owned by CAZ (Thailand) Public Company Limited, located at 69 Lahan Sub-district, Pluakdang District, Rayong Province mortgaged as collateral, at amounting to Baht 166,000,000.	• Takuni Group Public Company Limited ("TAKUNI") • Takuni (Thailand) Company Limited ("TT") • Ratchapruek Engineering Company Limited ("RE") • Mr.Chung Sik Hong <u>Note:</u> Since 16 December 2022, Kasikorn Bank was released guarantors which are TAKUNI, TT and RE from the Cooperate guarantor of the Company.

Policies of the connected transactions in the future

Company's policies of the connected transactions would be classified as follows:

- For normal business transactions and the transactions that support the normal business like purchasing and selling goods, offering services, etc., Audit Committee will consider and give opinion on the reason and necessity of recording stated transaction as well as normal trading policy of price mechanism. The transactions must be fair and irrelevant when the transfer of interests between the Company and person used to compare with the transfer of interests between the persons who might have conflict of interest and public or other relevant. Also, the consideration and opinion on the reason and necessity of recording stated transaction are quarterly given and perform according to the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on disclosure of connected transactions.

- Financial assistance transaction must operate under necessity, reasonableness, fair terms and conditions and gives the Company the highest benefit. For Guarantee transaction according to the requirement of loans from financial institutions to use as working capital which is a normal condition for providing loans to business whether by direct guarantee or placing collateral, the Company shall not incur any costs arising from the guarantee and shall not lose any benefits. The guaranteed transactions must be necessary for business operations. Moreover, the Audit Committee must consider and give opinion on the reason and necessity for the mentioned financial assistance transaction for the Company's maximum benefit. For provided and guaranteed transactions shall be treated as a normal transaction with third parties, including the consideration of fairness and complying with the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and regulations, notifications, including compliance with the disclosure requirements of connected transactions.

- In case that the Audit Committee has no expertise in the related party transaction currently under consideration, the Company will arrange for a person with knowledge and specialized expertise such as the auditor or independent asset appraiser to provide opinion on the related party transaction, to support the decision of the Board of Directors or shareholders (whichever may be the case). This is to ensure that such transactions will not constitute any transfer of benefits between the Company or potentially conflicting persons, but are for the greatest benefit of shareholders.

- Apart from normal business transactions and the transactions that support the normal business such as other asset or services transaction, revenue transaction, financial assistance transaction, etc. the Company assigned Audit Committee to consider and give opinion on the reason and necessity of recording stated transaction according to the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on disclosure of the Company and its subsidiaries connected transactions. Moreover, the Company does not have policy for giving loans to person who might have conflict of interest to run a business or perform instead of the Company.

With the purpose to perform transparently and accord to governance principle, in case the Company makes connected transaction with the person who might have interest of conflict, directors with gain and loss are not being entitled to vote and would not participated in that meeting.

In addition, the Board of Director will perform in compliance with the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on connected transactions and acquisition and disposal of the Company and its subsidiaries asset transactions to avoid conflict of interest and maximize all shareholders benefit.



Section 3

Financial statement



Independent Auditor's Report

To the shareholders of CAZ (Thailand) Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of CAZ (Thailand) Public Company Limited and its subsidiary (the "Group") and of CAZ (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company 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 is relevant to my audit of the consolidated and separate 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 Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Recognition of revenue from construction contracts

Refer to the notes 3(p), 6, 7 and 13 to the consolidated and separate financial statements.

The key audit matter

The Group's major revenue is from various construction contracts such as EPC services, Structure Mechanic and Piping (SMP) services and others, whereby the conditions of each contract are various and different. Revenue from construction contracts is recognised when the performance obligation is satisfied over time by reference the percentage of completion of each contract at the reporting date including consideration of provision for loss-making contracts.

The recognition of revenue from construction contracts, provision for loss-making contracts, related receivables and contract assets is related to the following key factors:

- Costs incurred;
- Surveys of performance completed to date;
- Total cost estimation of the contract; and
- Revision for certain events or conditions that occur or expect to occur to complete the contract resulted in contract modification and revision of total cost estimation of the contract.

I focused on this area as a key audit matter due to the recognition of revenue from construction contracts required judgement and estimates made by management.

How the matter was addressed in the audit

My audit procedures included:

- Inquiring the management to understand and assess the process of preparation of total cost estimation of the contracts, calculation of percentage of completion, recognition of revenue from construction contracts including the evaluation of controls designed and implemented and the test of the operating effectiveness of relevant controls;
- Testing total cost estimation of the contracts which was approved by the management including changes in total cost estimation during the year, actual costs incurred, revenue from construction contracts, possible for loss-making contracts, related receivables and contract assets with contracts and supporting documents;
- Assessing the reasonableness of changes in total cost estimation during the year;
- Testing the data used in calculation of percentage of completion with supporting documents;
- Analysing the gross profit, work progress and inquire the rationale for differences from the management;
- Considering the adequacy of disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Vipavan Pattavanvivek)
Certified Public Accountant Registration No. 4795

KPMG Phoomchai Audit Ltd.
Bangkok 24 February 2023

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements				Separate financial statements			
		31 December				31 December			
Assets	Note	2022		2021		2022		2021	
		(in Baht)							
Current assets									
Cash and cash equivalents	5	116,411,833		262,451,221		115,772,683		261,627,747	
Trade and other current receivables	6	452,418,247		324,144,931		467,444,970		371,204,365	
Contract assets	7	589,247,429		617,006,692		589,247,429		617,006,692	
Short-term loans to a related party	4	-		-		40,000,000		40,000,000	
Inventories		46,968,865		40,840,407		46,936,458		40,694,924	
Refundable withholding tax deducted at source		35,717,070		-		30,429,508		-	
Other current assets		8,026,554		10,803,260		6,848,309		8,822,548	
Total current assets		1,248,789,998		1,255,246,511		1,296,679,357		1,339,356,276	
Non-current assets									
Restricted deposit at financial institution	10	7,726,076		7,687,974		7,726,076		7,687,974	
Investment in a subsidiary	8	-		-		7,390,200		7,390,200	
Property, plant and equipment	9, 10	536,922,639		557,760,924		526,787,942		542,134,222	
Intangible assets		12,780,182		12,376,040		12,357,287		11,893,329	
Retention receivables	7	220,292,848		96,977,406		220,292,848		96,977,406	
Withholding tax deducted at source		57,978,877		35,359,890		50,311,682		30,072,328	
Deposits		3,930,941		4,409,770		2,411,556		1,600,239	
Deferred tax assets	16	2,938,191		2,705,000		2,855,763		2,394,184	
Total non-current assets		842,569,754		717,277,004		830,133,354		700,149,882	
Total assets		2,091,359,752		1,972,523,515		2,126,812,711		2,039,506,158	

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements				Separate financial statements			
		31 December				31 December			
Liabilities and equity	Note	2022	I	2021	I	2022	I	2021	
(in Baht)									
Current liabilities									
Short-term borrowings from financial institutions	10	175,300,000		373,502,000		175,300,000		373,502,000	
Trade and other current payables		369,308,986		377,922,960		424,446,765		437,716,526	
Contract liabilities	7	527,877,846		289,856,964		527,877,846		289,856,964	
Short-term borrowings from other party	10	-		20,000,000		-		20,000,000	
Current portion of long-term borrowings									
from financial institutions	10	77,760,000		38,640,000		77,760,000		38,640,000	
Current portion of lease liabilities	10	22,701,591		30,988,061		19,061,533		27,478,378	
Other current liabilities		43,009,452		44,396,546		39,287,377		41,418,691	
Total current liabilities		1,215,957,875		1,175,306,531		1,263,733,521		1,228,612,559	
Non-current liabilities									
Long-term borrowings from financial institutions	10	8,620,000		87,660,000		8,620,000		87,660,000	
Lease liabilities	10	11,834,551		29,030,097		11,394,532		24,950,020	
Retention payables		28,107,078		11,956,945		47,420,063		47,423,267	
Non-current provisions for employee benefits		5,521,371		7,280,734		5,109,232		5,733,165	
Total non-current liabilities		54,083,000		135,927,776		72,543,827		165,766,452	
Total liabilities		1,270,040,875		1,311,234,307		1,336,277,348		1,394,379,011	

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2022	2021	2022	2021
		(in Baht)			
Equity					
Share capital:	11				
Authorised share capital		147,000,000	147,000,000	147,000,000	147,000,000
Issued and paid-up share capital		146,999,876	146,999,876	146,999,876	146,999,876
Share premium on ordinary shares	11	246,105,067	246,105,067	246,105,067	246,105,067
Retained earnings					
Appropriated					
Legal reserve	12	14,700,000	14,700,000	14,700,000	14,700,000
Unappropriated		394,000,432	237,815,712	376,360,420	230,952,204
Other components of equity		8,452,827	8,452,827	6,370,000	6,370,000
Equity attributable to owners of the parent		810,258,202	654,073,482	790,535,363	645,127,147
Non-controlling interests		11,060,675	7,215,726	-	-
Total equity		821,318,877	661,289,208	790,535,363	645,127,147
Total liabilities and equity		2,091,359,752	1,972,523,515	2,126,812,711	2,039,506,158

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements				Separate financial statements			
		31 December				31 December			
	Note	2022	I	2021	I	2022	I	2021	
		(in Baht)							
Revenue									
Revenues from construction contracts		3,135,464,201		2,194,697,104		3,135,464,201		2,194,697,104	
Costs of construction contracts		(2,770,315,579)		(1,898,624,010)		(2,798,305,586)		(1,918,273,193)	
Gross profit		365,148,622		296,073,094		337,158,615		276,423,911	
Other income		2,347,020		4,534,737		4,953,682		7,758,624	
Administrative expenses		(96,958,194)		(96,151,384)		(88,777,358)		(87,291,482)	
Profit from operating activities		270,537,448		204,456,447		253,334,939		196,891,053	
Finance costs		(14,997,232)		(30,167,658)		(14,579,323)		(29,587,598)	
Profit before income tax expense		255,540,216		174,288,789		238,755,616		167,303,455	
Income tax expense	16	(50,648,984)		(36,235,461)		(47,243,747)		(34,298,823)	
Profit for the year		204,891,232		138,053,328		191,511,869		133,004,632	
Other comprehensive income									
Items that will not be reclassified to profit or loss									
Gain on remeasurements of defined benefit plans		2,703,441		1,750,408		1,150,828		1,750,408	
Income tax relating to items that will not be reclassified	16	(540,688)		(350,082)		(230,165)		(350,082)	
Total items that will not be reclassified to profit or loss		2,162,753		1,400,326		920,663		1,400,326	
Other comprehensive income for the year, net of tax		2,162,753		1,400,326		920,663		1,400,326	
Total comprehensive income for the year		207,053,985		139,453,654		192,432,532		134,404,958	
Profit attributable to:									
Owners of the parent		201,379,532		136,513,353		191,511,869		133,004,632	
Non-controlling interests		3,511,700		1,539,975		-		-	
		204,891,232		138,053,328		191,511,869		133,004,632	
Total comprehensive income attributable to:									
Owners of the parent		203,209,036		137,913,679		192,432,532		134,404,958	
Non-controlling interests		3,844,949		1,539,975		-		-	
		207,053,985		139,453,654		192,432,532		134,404,958	
Basic earnings per share	17	0.68		0.46		0.65		0.45	

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

Consolidated financial statements

	Note	Other components of equity									
		Retained earnings					Changes in parent's ownership interest in subsidiary				
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Share-based payment	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
(in Baht)											
For the year ended 31 December 2021		140,000,000	246,105,067	11,952,434	116,027,794	6,370,000	2,082,827	8,452,827	522,538,122	5,675,751	528,213,873
Balance at 1 January 2021											
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Stock dividends	18	6,999,876	-	-	(6,999,876)	-	-	-	-	-	-
Dividends to owners of the Company	18	-	-	-	(6,378,319)	-	-	-	(6,378,319)	-	(6,378,319)
Total distributions to owners of the parent		6,999,876	-	-	(13,378,195)	-	-	-	(6,378,319)	-	(6,378,319)
Comprehensive income for the year											
Profit for the year		-	-	-	136,513,353	-	-	-	136,513,353	1,539,975	138,053,328
Other comprehensive income		-	-	-	1,400,326	-	-	-	1,400,326	-	1,400,326
Total comprehensive income for the year	-	-	-	137,913,679	-	-	-	-	137,913,679	1,539,975	139,453,654
Transfer to legal reserve	12	-	-	2,747,566	(2,747,566)	-	-	-	-	-	-
Balance at 31 December 2021		146,999,876	246,105,067	14,700,000	237,815,712	6,370,000	2,082,827	8,452,827	654,073,482	7,215,726	661,289,208

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

Consolidated financial statements

	Note	Retained earnings		Other components of equity									
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Share-based payment	Changes in parent's ownership interest in subsidiary	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity		
For the year ended 31 December 2022													
Balance at 1 January 2022		146,999,876	246,105,067	14,700,000	237,815,712	6,370,000	2,082,827	8,452,827	654,073,482	7,215,726	661,289,208		
Transactions with owners, recorded directly in equity													
Distributions to owners of the parent													
Dividends to owners of the Company	18	-	-	-	(47,024,316)	-	-	-	(47,024,316)	-	(47,024,316)		
Total distributions to owners of the parent		-	-	-	(47,024,316)	-	-	-	(47,024,316)	-	(47,024,316)		
Comprehensive income for the year													
Profit for the year		-	-	-	201,379,532	-	-	-	201,379,532	3,511,700	204,891,232		
Other comprehensive income		-	-	-	1,829,504	-	-	-	1,829,504	333,249	2,162,753		
Total comprehensive income for the year		-	-	-	203,209,036	-	-	-	203,209,036	3,844,949	207,053,985		
Balance at 31 December 2022		146,999,876	246,105,067	14,700,000	394,000,432	6,370,000	2,082,827	8,452,827	810,258,202	11,060,675	821,318,877		

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

Separate financial statements

	Note	Retained earnings				Other components of equity			Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Share-based payment	Total other components of equity		
(in Baht)									
For the year ended 31 December 2021									
Balance at 1 January 2021		140,000,000	246,105,067	11,952,434	112,673,007	6,370,000	6,370,000	517,100,508	
Transactions with owners, recorded directly in equity									
Distributions to owners of the parent									
Stock dividends	18	6,999,876	-	-	(6,999,876)	-	-	-	-
Dividends to owners of the Company	18	-	-	-	(6,378,319)	-	-	(6,378,319)	
Total distributions to owners of the parent		6,999,876	-	-	(13,378,195)	-	-	(6,378,319)	
Comprehensive income for the year									
Profit for the year		-	-	-	133,004,632	-	-	133,004,632	
Other comprehensive income		-	-	-	1,400,326	-	-	1,400,326	
Total comprehensive income for the year		-	-	-	134,404,958	-	-	134,404,958	
Transfer to legal reserve	12	-	-	2,747,566	(2,747,566)	-	-	-	-
Balance at 31 December 2021		146,999,876	246,105,067	14,700,000	230,952,204	6,370,000	6,370,000	645,127,147	

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

Separate financial statements

	Note	Retained earnings		Other components of equity			
		Share			Total other components of equity		
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Share-based payment	Total other components of equity
(in Baht)							
For the year ended 31 December 2022							
Balance at 1 January 2022		146,999,876	246,105,067	14,700,000	230,952,204	6,370,000	645,127,147
Transactions with owners, recorded directly in equity							
Distributions to owners of the parent	18	-	-	-	(47,024,316)	-	-
Dividends to owners of the Company		-	-	-	(47,024,316)	-	(47,024,316)
Total distributions to owners of the parent		-	-	-	-	-	-
Comprehensive income for the year							
Profit for the year		-	-	-	191,511,869	-	191,511,869
Other comprehensive income		-	-	-	920,663	-	920,663
Total comprehensive income for the year		-	-	-	192,432,532	-	192,432,532
Balance at 31 December 2022		146,999,876	246,105,067	14,700,000	376,360,420	6,370,000	790,535,363

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2022	2021	2022	2021
Cash flows from operating activities	(in Baht)			
Profit for the year	204,891,232	138,053,328	191,511,869	133,004,632
Adjustments to reconcile profit to cash receipts (payments)				
Finance costs	14,997,232	30,167,658	14,579,323	29,587,598
Depreciation and amortisation	75,146,144	71,328,347	67,806,719	64,702,085
Loss on written-off of withholding tax deducted at source	-	1,146,374	-	94,550
Non-current provisions for employee benefits	1,052,183	2,583,526	526,895	2,003,775
Gain on disposal of equipment	(360,471)	(394,723)	(275,759)	(394,723)
Interest income	(65,182)	(40,515)	(2,185,072)	(1,867,850)
Income tax expense	50,648,984	36,235,461	47,243,747	34,298,823
	<u>346,310,122</u>	<u>279,079,456</u>	<u>319,207,722</u>	<u>261,428,890</u>
Changes in operating assets and liabilities				
Trade and other current receivables	(128,273,316)	(119,271,113)	(95,844,194)	(102,559,078)
Contract assets	27,759,263	(104,725,691)	27,759,263	(104,725,691)
Inventories	(6,128,458)	(6,298,735)	(6,241,534)	(6,224,051)
Other current assets	2,776,706	(3,542,452)	1,974,238	(3,146,303)
Retention receivables	(123,315,442)	(42,805,765)	(123,315,442)	(42,805,765)
Deposits	478,829	(1,002,461)	(811,317)	(134,870)
Trade and other current payables	(7,510,345)	113,953,433	(12,166,130)	154,952,646
Contract liabilities	238,020,882	148,773,248	238,020,882	148,773,248
Other current liabilities	(1,387,094)	18,593,491	(2,131,314)	19,011,138
Retention payables	16,150,133	3,018,444	(3,204)	2,277,819
Employee benefits paid	(108,105)	(690,344)	-	(452,032)
Net cash generated from operating activities	<u>364,773,175</u>	<u>285,081,511</u>	<u>346,448,970</u>	<u>326,395,951</u>
Interest paid	(15,399,357)	(29,722,277)	(14,981,448)	(29,142,218)
Income tax received (paid)	(109,758,920)	59,645,747	(98,604,353)	49,660,344
Net cash from operating activities	<u>239,614,898</u>	<u>315,004,981</u>	<u>232,863,169</u>	<u>346,914,077</u>

The accompanying notes form an integral part of the financial statements.

CAZ (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2022	2021	2022	2021
Cash flows from investing activities				
Decrease (increase) in restricted deposit at financial institution	(38,102)	2,331,965	(38,102)	2,331,965
Proceeds from short-term loans to a subsidiary	-	-	25,000,000	20,000,000
Short-term loans to a subsidiary	-	-	(25,000,000)	(60,000,000)
Acquisition of property, plant and equipment	(46,951,109)	(29,372,646)	(45,042,610)	(25,619,413)
Acquisition of intangible assets	(2,345,540)	(1,395,508)	(2,345,540)	(1,395,508)
Proceeds from disposal of equipment	978,317	2,021,667	772,710	2,311,236
Interest received	65,182	40,515	1,788,661	926,919
Net cash used in investing activities	(48,291,252)	(26,374,007)	(44,864,881)	(61,444,801)
Cash flows from financing activities				
Proceeds from short-term borrowings from financial institutions	520,641,000	941,500,000	520,641,000	941,500,000
Repayment of short-term borrowings from financial institutions	(718,843,000)	(1,077,101,580)	(718,843,000)	(1,077,101,580)
Repayment of lease liabilities	(32,216,719)	(29,969,963)	(28,707,036)	(26,560,660)
Proceeds from long-term borrowings from financial institutions	-	42,000,000	-	42,000,000
Repayment of long-term borrowings from financial institutions	(39,920,000)	(38,640,000)	(39,920,000)	(38,640,000)
Proceeds from short-term borrowings from related parties	100,000,000	500,000,000	100,000,000	500,000,000
Repayment of short-term borrowings from related parties	(100,000,000)	(500,000,000)	(100,000,000)	(500,000,000)
Repayment of short-term borrowings from related parties	(20,000,000)	-	(20,000,000)	-
Repayment of short-term borrowings from other party	(47,024,316)	(6,378,319)	(47,024,316)	(6,378,319)
Dividends paid to owners of the Company	(337,363,035)	(168,589,862)	(333,853,352)	(165,180,559)
Net cash used in financing activities				
Net increase (decrease) in cash and cash equivalents	(146,039,389)	120,041,112	(145,855,064)	120,288,717
Cash and cash equivalents at 1 January	262,451,222	142,410,109	261,627,747	141,339,030
Cash and cash equivalents at 31 December	116,411,833	262,451,221	115,772,683	261,627,747
Supplement disclosures of cash flows information				
Non-cash transactions				
Acquisitions of property, plant and equipment for which payments have not yet made	342,066	1,043,571	342,066	1,043,571
Acquisitions of right-of-use assets under leases	8,140,229	43,225,987	8,140,229	39,755,887

The accompanying notes form an integral part of the financial statements.

contents

Note

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2023.

01 General information

CAZ (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 3 May 2018. The Company’s registered office at 239 Huaipong-Nongbon Road, Tambol Huaipong, Amphur Muang-rayong, Rayong.

The immediate and ultimate parent companies were Takuni (Thailand) Company Limited and Takuni Group Public Company Limited. Both were incorporated in Thailand.

The principal activities of the Group are as follow:



EPC service :

Engineering, Procurement, Construction, Construction management including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business

Structure Mechanic and Piping (SMP) services:

Structure Erection, Piping fabrication & Erection, Equipment Erection, Electric and Instrument work including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business



Civil & Building services:

Civil and Building construction works including engineering work for Industrial, Energy Petrochemical/ Chemical Business, and Infrastructure Business

General Construction services:

Comprehensive of civil engineering and structural services which are provide work of foundation, infrastructure, and building. Including, steel structure works, piping erection, mechanical and equipment installation for Industry, Energy and Petrochemical/ Chemical Business.



Fabrication and other services:

Mechanical Fabrication work (Structure, Vessel, Heat Exchanger, Tanks) including procurement of materials for Energy and Petrochemical/ Chemical Business

Details of the Company’s subsidiary as at 31 December 2022 and 2021 are given in note 8.

02 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company's functional currency. The accounting policies have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Significant accounting policies 03

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the "Group").

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses/deficits in shareholders' equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiary

Investments in subsidiary in the separate financial statements is measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investment is recognised in profit or loss.

(c) Foreign currencies

Transactions in foreign currencies including balance of non-monetary assets and liabilities in foreign currencies at the end of reporting period are translated to the respective functional currency of each entity in the Group at the exchange rates at the dates of the transactions. Balance of monetary assets and liabilities denominated in foreign currencies at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments**(d.1) Classification and measurement**

Other financial assets and financial liabilities (except trade receivables (see note 3(f)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Impairment of financial assets other than trade receivables, other receivables and contract assets

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost through profit or loss.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than due specified in the contract, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes action such as realising security (if any is held) or the financial asset is more than 90 days past due.

(d.4) Write offs

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering.

Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(d.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate for individual receivables with past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first in first out principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

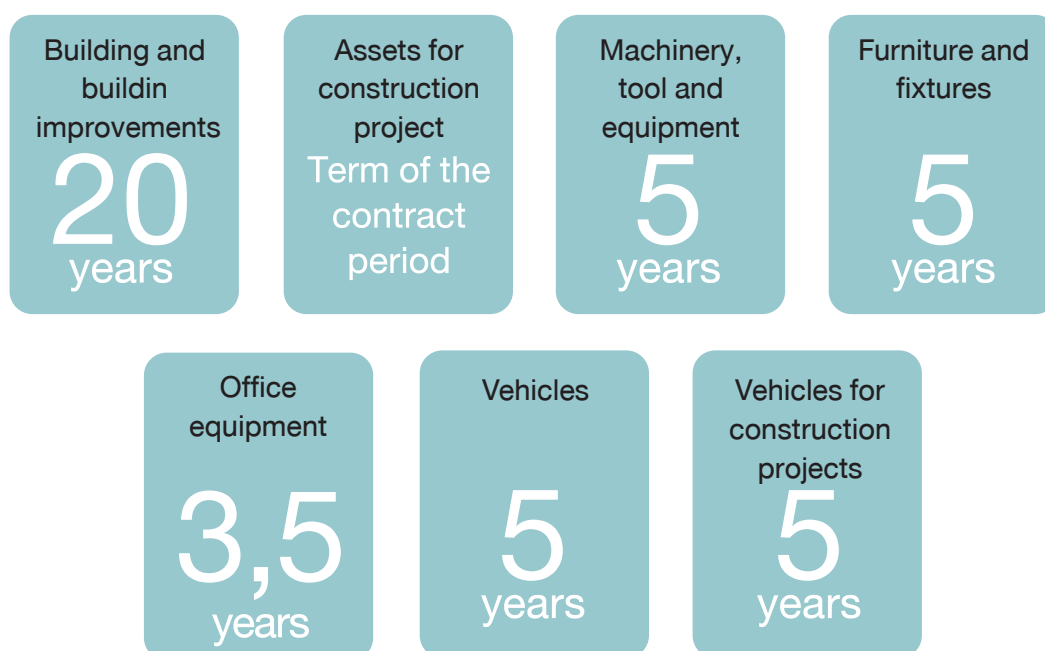
Subsequent costs

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

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:



(i) Intangible assets

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Computer software **10** years

(j) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the interest rate implicit in the lease to discount the lease payments to the present value.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(k) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts are estimated. An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount, but does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(l) Employee benefits

Defined contribution plan

Obligations for contributions to the Group's provident fund are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Provisions

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

Warranties

A provision for warranties is recognised when the underlying services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

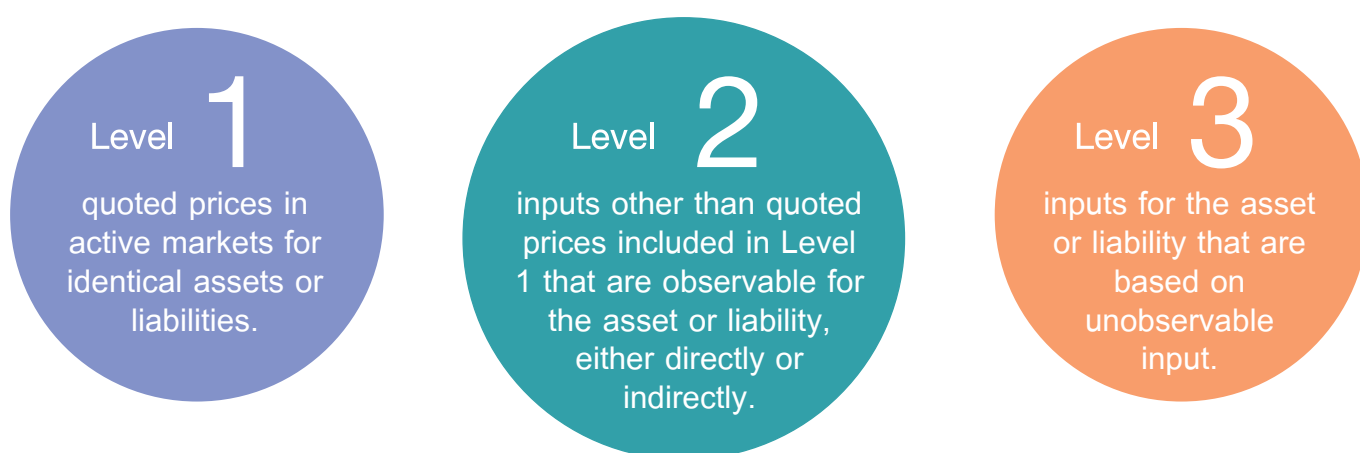
Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(n) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:



The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(p) Revenue from contracts with customers**(1) Revenue recognition**

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

Revenue from construction contracts is satisfied over time by reference the percentage of completion. The percentage of completion is measured by reference to the surveys of performance completed to date or using cost incurred relative to total cost estimation of each contract by using the best method to account for the transfer of work to the customer and considered the nature of work provided and the term of contract. The related costs are recognised in profit or loss when they are incurred.

(2) Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer services to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(q) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(s) Related parties




A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or has significant influence over the financial and managerial decision-making.

(t) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

04 Related parties

Related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Takuni (Thailand) Co., Ltd.	Ratchaphruek Engineering Co., Ltd.	G Gas Logistics Co., Ltd.
Country of incorporation			
Nature of relationships	The parent company	Related party	Related party

Relationship with parent and subsidiary is described in notes 1 and 8.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Rental income	Contractual price
Service income	Agreed prices
Costs of construction contracts	Contractual price
Interest income and interest expense	Interest rates determined in intercompany loan agreements



Significant transactions with related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Significant transactions with related parties				
Year ended 31 December	(in thousand Baht)			
Parent				
Interest expense	1,526	6,068	1,526	6,068
Subsidiary				
Rental income	-	-	416	800
Service income	-	-	189	167
Interest income	-	-	2,120	1,827
Costs of construction contracts	-	-	382,420	311,214
Key management personnel				
Key management personnel compensation				
Short-term employee benefits (including director remuneration)	25,352	22,129	21,711	18,727
Post-employment benefits	69	566	69	566
Total key management personnel	25,421	22,695	21,780	19,293
Other related parties				
Rental income	180	144	180	144
Service income	65	65	65	65
Costs of construction contracts	29,646	19,068	29,646	19,068

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Significant transactions with related parties				
Year ended 31 December	(in thousand Baht)			
Other current receivables				
Subsidiary	-	-	1,609	2,621
Other related parties	44	36	44	36
Total	44	36	1,653	2,657
Accrued expenses (included in other current payables)				
Subsidiary	-	-	15,124	47,378
Trade payables				
Subsidiary	-	-	19,930	12,070
Other related parties	3,615	6,994	3,615	6,994
Total	3,615	6,994	23,545	19,064

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Significant transactions with related parties				
Year ended 31 December	(in thousand Baht)			
Accrued expenses (included in other current payables)				
Subsidiary	-	-	69,859	91,099
Other related parties	12,536	5,952	12,536	5,952
Total	12,536	5,952	82,395	97,051
Retention payables				
Subsidiary	-	-	19,313	35,466
Total	-	-	19,313	35,466

	Interest rate	Separate financial statements			
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December
Loans to 2022		(in thousand Baht)			
Subsidiary	5.30	40,000	25,000	(25,000)	40,000

	Interest rate	งบการเงินรวม / งบการเงินเฉพาะกิจการ			
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December
Loans from 2022		(in thousand Baht)			
Parent	5.00	-	100,000	(100,000)	-

05 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Significant transactions with related parties				
Year ended 31 December	(in thousand Baht)			
Cash on hand	545	540	215	160
Cash at banks - current accounts	95,624	261,776	95,318	261,336
Cash at banks - savings accounts	240	132	237	129
Highly liquid short-term investments	20,003	3	20,003	3
Cash and cash equivalents in the statement of financial position and statement of cash flows	116,412	262,451	115,773	261,628

The effective interest rate on short-term bank deposits was 0.10% to 1.05% per annum (2021: 0.10% to 0.75% per annum).

Trade and other current receivables 06

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		(in thousand Baht)			
Trade receivables					
Other parties		431,027	297,797	431,027	297,797
Total		431,027	297,797	431,027	297,797
Less allowance for expected credit losses		-	-	-	-
Net		431,027	297,797	431,027	297,797
Other current receivables					
Subsidiary	4	-	-	1,609	2,621
Other related parties	4	44	36	44	36
Other parties		292	58	115	58
Prepaid expenses		10,178	13,504	8,653	11,783
Advance payments to subcontractor					
- related party	4	-	-	15,124	47,378
Advance payments to subcontractors		10,877	12,750	10,873	11,531
Total		21,391	26,348	36,418	73,407
Total trade and other current receivables		452,418	324,145	467,445	371,204

Information of credit risk is disclosed in note 19 (b.1).

07 Contract assets and contract liabilities

The Group has outstanding contract assets and contract liabilities with customers as follow:

Note	Consolidated financial statements				Separate financial statements			
	2022	I	2021	I	2022	I	2021	I
(in thousand Baht)								
Contract assets								
Total project value	4,707,627		6,950,110		4,707,627		6,950,110	
Accumulated amount recognised as revenue on percentage of completion basis	3,141,932		3,992,067		3,141,932		3,992,067	
Less value of total billed	(2,552,685)		(3,375,060)		(2,552,685)		(3,375,060)	
Total contract assets	589,247		617,007		589,247		617,007	
Retention receivables	220,293		96,977		220,293		96,977	
Contract liabilities								
Total project value	4,011,871		2,165,829		4,011,871		2,165,829	
Value of total billed	3,629,479		1,277,698		3,629,479		1,277,698	
Less Accumulated amount recognised as revenue on percentage of completion basis	(3,146,355)		(1,136,503)		(3,146,355)		(1,136,503)	
	483,124		141,195		483,124		141,195	
Advance received from construction contracts	44,754		148,662		44,754		148,662	
Total contract liabilities	527,878		289,857		527,878		289,857	

Revenue recognition from contract balance

During the year 2022, the Group and the Company recognised contract liabilities balance at the beginning of the year as revenue from construction contract of Baht 260.22 million (2021: Baht 92.43 million).

Revenue to be recognised for the future related to performance obligations that are unsatisfied

As at 31 December 2022, the Group has revenue to be recognised in the future related to performance obligations that are unsatisfied amounting to Baht 2,431 million (2021: Baht 3,989 million) which expected to be recognised in 2023-2024 (2021: 2022-2023).

Investment in a subsidiary 08

Separate financial statements													
Subsidiary	Type of business	Ownership								Dividend income			
		interest		Paid-up capital		Cost		Impairment		At cost - net		for the year	
		2022	2021 I	2022	2021 I	2022	2021 I	2022	2021 I	2022	2021 I	2022	2021 I
		(%)		(in thousand Baht)									
JKEC Co., Ltd.	Construction services	73.17	73.17	10,100	10,100	7,390	7,390	-	-	7,390	7,390	-	-
Total						7,390	7,390	-	-	7,390	7,390	-	-

The subsidiary was operated in Thailand and is not publicly listed. Consequently, there is no published price quotations.

Property, plant and equipment 09

Consolidated financial statements									
(in thousand Baht)									
Cost	Land and right-of-use on land	Building and building improvements	Machinery, tools and equipment	Furniture and fixtures	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
At 1 January 2021	263,162	136,272	259,013	2,981	20,291	19,022	20,976	3,543	725,260
Additions	-	-	57,366	3,351	1,221	588	4,098	5,534	72,158
Transfers	-	3,815	5,227	-	15	-	-	(9,057)	-
Disposals	-	-	(15,129)	(47)	(625)	(237)	-	-	(16,038)
At 31 December 2021 and 1 January 2022	263,162	140,087	306,477	6,285	20,902	19,373	25,074	20	781,380
Additions	3,111	-	35,197	408	2,040	5,137	-	7,091	52,984
Disposals	(2,840)	-	(2,705)	(12)	(1,045)	(2,555)	(930)	-	(10,087)
At 31 December 2022	263,433	140,087	338,969	6,681	21,897	21,955	24,144	7,111	824,277
Accumulated depreciation									
At 1 January 2021	1,113	19,291	120,223	1,651	8,024	9,390	8,177	-	167,869
Depreciation charge for the year	1,420	7,065	48,850	800	4,001	2,784	5,515	-	70,435
Disposals	-	(20)	(13,799)	(16)	(457)	(224)	(169)	-	(14,685)
At 31 December 2021 and 1 January 2022	2,533	26,336	155,274	2,435	11,568	11,950	13,523	-	223,619
Depreciation charge for the year	1,631	7,127	52,372	1,034	3,820	2,849	4,661	-	73,494
Disposals	(2,840)	(20)	(2,453)	(4)	(1,006)	(2,555)	(881)	-	(9,759)
At 31 December 2022	1,324	33,443	205,193	3,465	14,382	12,244	17,303	-	287,354

CAZ (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements. For the year ended 31 December 2022.

Consolidated financial statements									
	Land and right-of-use on land	Building and building improvements	Machinery, tools and equipment	Furniture and fixtures	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
(in thousand Baht)									
Net book value									
At 31 December 2021									
Owned assets	259,208	113,751	87,724	3,850	9,334	142	2,531	20	476,560
Right-of-use assets	1,421	-	63,479	-	-	7,281	9,020	-	81,201
	<u>260,629</u>	<u>113,751</u>	<u>151,203</u>	<u>3,850</u>	<u>9,334</u>	<u>7,423</u>	<u>11,551</u>	<u>20</u>	<u>557,761</u>
At 31 December 2022									
Owned assets	260,322	106,644	104,110	3,216	7,515	305	591	7,111	489,814
Right-of-use assets	1,787	-	29,666	-	-	9,406	6,250	-	47,109
	<u>262,109</u>	<u>106,644</u>	<u>133,776</u>	<u>3,216</u>	<u>7,515</u>	<u>9,711</u>	<u>6,841</u>	<u>7,111</u>	<u>536,923</u>
Separate financial statements									
	Land and right-of-use on land	Building and building improvements	Machinery, tools and equipment	Furniture and fixtures	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
(in thousand Baht)									
Cost									
At 1 January 2021									
Additions	263,162	138,727	252,879	2,980	18,822	17,384	1,937	3,594	699,485
Transfers	-	-	54,498	3,352	910	-	-	5,535	64,29
Disposals	-	3,815	5,227	-	15	-	-	(9,057)	-
	<u>-</u>	<u>-</u>	<u>(15,418)</u>	<u>(47)</u>	<u>(625)</u>	<u>(237)</u>	<u>-</u>	<u>-</u>	<u>(16,327)</u>
At 31 December 2021 and 1 January 2022									
Additions	263,162	142,542	297,186	6,285	19,122	17,147	1,937	72	747,453
Disposals	3,111	-	33,422	408	1,906	5,137	-	7,091	51,075
	<u>(2,840)</u>	<u>-</u>	<u>(2,399)</u>	<u>(12)</u>	<u>(693)</u>	<u>(2,555)</u>	<u>-</u>	<u>-</u>	<u>(8,499)</u>
At 31 December 2022	<u>263,433</u>	<u>142,542</u>	<u>328,209</u>	<u>6,681</u>	<u>20,335</u>	<u>19,729</u>	<u>1,937</u>	<u>7,163</u>	<u>790,029</u>

	Separate financial statements								
	Land and right-of-use on land	Building and building improvements	Machinery, tools and equipment	Furniture and fixtures	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
	(in thousand Baht)								
Accumulated depreciation									
At 1 January 2021	1,113	19,314	117,478	1,651	7,264	8,564	1,391	-	156,775
Depreciation charge for the year	1,420	7,065	47,333	800	3,646	2,389	301	-	62,954
Disposals	-	-	(13,713)	(16)	(457)	(224)	-	-	(14,410)
At 31 December 2021 and 1 January 2022	2,533	26,379	151,098	2,435	10,453	10,729	1,692	-	205,319
Depreciation charge for the year	1,631	7,127	50,065	1,034	3,459	2,487	121	-	65,924
Disposals	(2,840)	-	(1,944)	(4)	(659)	(2,555)	-	-	(8,002)
At 31 December 2022	1,324	33,506	199,219	3,465	13,253	10,661	1,813	-	263,241
Net book value									
At 31 December 2021	259,208	116,163	82,609	3,850	8,669	141	245	72	470,957
Owned assets	1,421	-	63,479	-	-	6,277	-	-	71,177
Right-of-use assets	260,629	116,163	146,088	3,850	8,669	6,418	245	72	542,134
At 31 December 2022	260,322	109,036	99,324	3,216	7,082	305	124	7,163	486,572
Owned assets	1,787	-	29,666	-	-	8,763	-	-	40,216
Right-of-use assets	262,109	109,036	128,990	3,216	7,082	9,068	124	7,163	526,788

The gross amount of the Group and the Company's fully depreciated of machinery, tools and equipment and office equipment that were still in use as at 31 December 2022 amounted to Baht 78.95 million and Baht 75.14 million, respectively (2021: Baht 67.08 million and Baht 66.57 million, respectively).

During the year 2022, the Group and the Company leased land and vehicle for 2-4 years and made fixed payments during the lease term. The Group and the Company recognised right-of-use assets amounting to Baht 8.14 million and Baht 8.14 million, respectively (2021: Baht 43.23 million and Baht 39.76 million, respectively).

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
For the year ended 31 December				
	(in thousand Baht)			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Land and right-of-use asset on land	1,787	1,420	1,787	1,420
- Machines, tools and equipment	8,325	11,336	8,325	11,336
- Vehicles	2,244	2,589	1,882	2,193
- Vehicles for construction projects	2,770	2,564	-	-
Interest on lease liabilities	2,076	2,428	1,658	1,848
Expenses relating to short-term leases	230,107	207,382	184,222	164,951
Expenses relating to leases of low-value assets	2,470	666	2,095	294

In 2022, total cash outflow for the leases of the Group and the Company were Baht 265 million and Baht 215 million, respectively (2021: Baht 238 million and Baht 192 million, respectively).

10 Interest-bearing liabilities

	Consolidated financial statements					
	2022			2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Short-term loans from financial institutions	(in thousand Baht)					
- Promissory notes	145,300	30,000	175,300	373,502	-	373,502
Short-term loans from other party	-	-	-	20,000	-	20,000
Long-term loans from financial institutions	86,380	-	86,380	126,300	-	126,300
Lease liabilities	32,772	1,764	34,536	60,018	-	60,018
Total interest-bearing liabilities	264,452	31,764	296,216	579,820	-	579,820

	Separate financial statements					
	2022			2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Short-term loans from financial institutions	(in thousand Baht)					
- Promissory notes	145,300	30,000	175,300	373,502	-	373,502
Short-term loans from other party	-	-	-	20,000	-	20,000
Long-term loans from financial institutions	86,380	-	86,380	126,300	-	126,300
Lease liabilities	28,692	1,764	30,456	52,428	-	52,428
Total interest-bearing liabilities	260,372	31,764	292,136	572,230	-	572,230

	Consolidated financial statements		Separate financial statements	
Assets pledged as security for liabilities as at 31 December	2022	2021	2022	2021
	(in thousand Baht)			
Deposit at financial institution	7,726	7,688	7,726	7,688
Deposit at financial institution	431,856	456,078	424,963	446,053
Total	439,582	463,766	432,689	453,741

As at 31 December 2022, the Group and the Company had unutilised credit facilities totalling Baht 760 million (2021: Baht 937 million).

Borrowings from a financial institution

The Company has to comply with certain conditions under right and duty of borrowers such as the maintenance of Debt to Equity ratios and Debt Service Coverage ratio (DSCR).

11 Share capital

	Par value	2022		2021	
	per share	Number	Amount	Number	Amount
	(in Baht)	(thousand shares / in thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	0.5	294,000	147,000	280,000	140,000
Issue of new shares	0.5	-	-	14,000	7,000
At 31 December 2022 and 31 December 2021					
- ordinary shares	0.5	294,000	147,000	294,000	147,000
Issued and paid-up					
At 1 January					
- ordinary shares	0.5	294,000	147,000	280,000	140,000
Issue of new shares	0.5	-	-	14,000	7,000
At 31 December 2022 and 31 December 2021					
- ordinary shares	0.5	294,000	147,000	294,000	147,000

At the Annual General Meeting of the shareholders of the Company held on 23 April 2021, the shareholders approved to increase in registered capital of the Company to accommodate the stock dividend payment in the amount of Baht 7 million from existing share capital totaling of Baht 140 million to the registered capital of Baht 147 million by issuing 14 million newly ordinary shares with a par value of Baht 0.50 per share. The Company registered the increase in the authorised share capital with the Ministry of Commerce on 11 May 2021.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve 12

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

13 Segment information and disaggregation of revenue

Geographical segments

The Group is operated principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Business segments

Management considers that the Group operates in a single line of business, namely construction business, therefore, only one reportable segment.

Timing of revenue recognition

Total revenues of the Group has timing of revenue recognition by over time.

Major customers

Revenues from three customers of the Group's segment represents approximately Baht 2,864.72 million in 2022 (2021: Baht 2,147.98 million) of the Group's total revenues.

Employee benefit expenses 14

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
Salary, bonus and wages	1,070,285	692,752	857,560	528,436
Defined benefit plan	1,052	2,584	527	2,004
Defined contribution plan	1,782	1,481	1,528	1,182
Termination benefits	25,211	17,496	25,036	17,201
Total	1,098,330	714,313	884,651	548,823

Defined contribution plan

The defined contribution plan comprises provident fund established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 3% to 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

15 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
		(in thousand Baht)			
Raw material used		671,175	529,812	646,510	509,018
Subcontractor costs		591,675	319,559	951,179	608,743
Depreciation and amortisation		75,146	71,328	67,807	64,702
Employee benefit expenses	14	1,098,330	714,313	884,651	548,823
Lease-related expenses		232,577	208,048	186,317	165,245

16 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
(in thousand Baht)				
Income tax recognised in profit or loss				
Current tax expense				
Current year	51,423	36,660	47,936	34,656
Deferred tax expense				
Movements in temporary differences	(774)	(424)	(692)	(357)
Income tax expense	50,649	36,236	47,244	34,299

Consolidated financial statements					
	2022		2021		
Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
(in thousand Baht)					
Income tax					
Recognised in other comprehensive income					
Defined benefit plan actuarial gains	2,703	(541)	2,162	1,750	(350)
Total	2,703	(541)	2,162	1,750	(350)

Consolidated financial statements					
	2022		2021		
Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
(in thousand Baht)					
Income tax					
Recognised in other comprehensive income					
Defined benefit plan actuarial gains	1,151	(230)	921	1,750	(350)
Total	1,151	(230)	921	1,750	(350)

Reconciliation of effective tax rate	Consolidated financial statements				Separate financial statements			
	2022		2021		2022		2021	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		255,540		174,289		238,756		167,303
Income tax using the Thai corporation tax rate	20.00	51,108	20.00	34,858	20.00	47,751	20.00	33,461
Expenses not deductible for tax purposes		463		672		324		316
		463	-	672	-	324	-	316
Additional deductible expenses		(301)	-	(188)	-	(246)	-	(170)
Unrealised gains from intercompany transactions		-	-	207	-	-	-	-
Others		(621)	-	687	-	(585)	-	692
Total	19.82	50,649	20.79	36,236	19.79	47,244	20.50	34,299

Consolidated financial statements

Deferred tax

2022

Deferred tax assets

	At 1 January	Profit or loss	Other comprehensive income	At 31 December
	(in thousand Baht)			
Right-of-use assets	35	66	-	101
Provision for warranties of construction work	823	62	-	885
Provision for litigation	741	108	-	849
Non-current provisions for employee benefits	1,106	538	(541)	1,103
Total	2,705	774	(541)	2,938

2021

Deferred tax assets

Right-of-use assets	33	2	-	35
Provision for warranties of construction work	436	387	-	823
Provision for litigation	735	6	-	741
Non-current provisions for employee benefits	1,427	29	(350)	1,106
Total	2,631	424	(350)	2,705

Separate financial statements

	At 1 January	(Charged) / Credited to		At 3 December
		Profit or loss	Other comprehensive income	
	(in thousand Baht)			
Deferred tax				
2022				
Deferred tax assets				
Right-of-use assets	34	67	-	101
Provision for warranties of construction work	823	62	-	885
Provision for litigation	741	108	-	849
Non-current provisions for employee benefits	796	455	(230)	1,021
Total	2,394	692	(230)	2,856
2021				
Deferred tax assets				
Right-of-use assets	30	4	-	34
Provision for warranties of construction work	436	387	-	823
Provision for litigation	735	6	-	741
Non-current provisions for employee benefits	1,186	(40)	(350)	796
Total	2,387	357	(350)	2,394

17 Basic earnings per share

The calculations of basic earnings per share were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht / thousand shares)			
For the year ended 31 December				
Profit attributable to ordinary shareholders of the Company (basic)	201,380	136,513	191,512	133,005
Number of ordinary shares outstanding (basic)	294,000	294,000	294,000	294,000
Earnings per share (basic) (in Baht)	0.68	0.46	0.65	0.45

18 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in million Baht)
2022				
2021 Annual dividend	22 April 2022	20 May 2022	0.16	47.02
2021				
2020 Annual dividend				
- Stock dividends	23 April 2021	21 May 2021	0.03	7.00
- Cash dividends	23 April 2021	21 May 2021	0.02	6.38

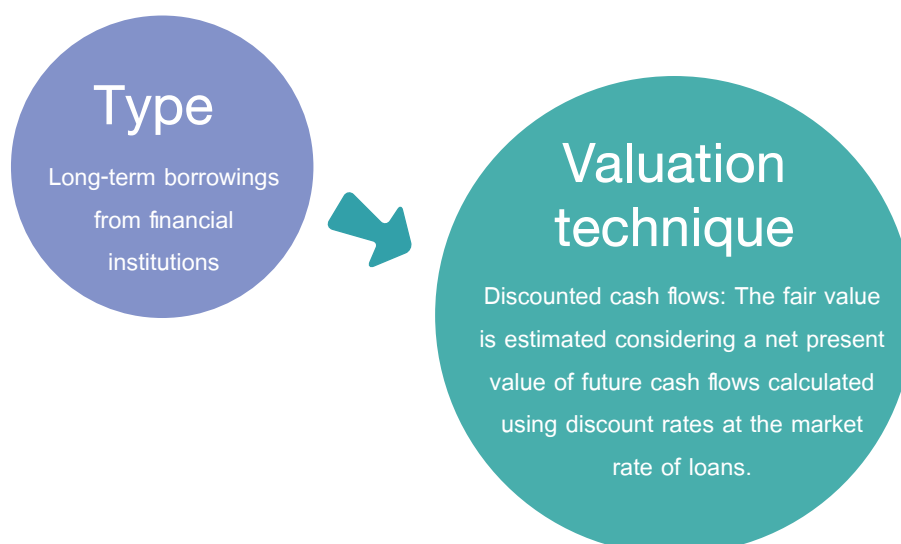
Financial instruments 19

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated / financial statements				
Carrying amount	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	(in thousand Baht)				
At 31 December 2022					
Long-term borrowings from financial institutions	86,380	-	-	85,979	85,979
At 31 December 2021					
Long-term borrowings from financial institutions	126,300	-	-	125,846	125,846

Valuation technique of financial instruments measured at fair value



(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group's, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 13.

The management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period

Information relevant to trade receivables and contract assets are disclosed in notes 6 and 7.

The following table presents the exposure to credit risk and expected credit loss for trade receivables and contract assets.

Consolidated/Separatefinancial								
At 31 December	Trade	Contract	Total	Allowance	Trade	Contract	Total	Allowance
	receivables	assets	carrying	for	receivables	assets	carrying	for expected
			amounts	expected			amounts	credit loss
				credit loss				credit loss
	2022				I	2021		
	(in thousand Baht)							
Within credit terms	430,382	589,247	1,019,629	-	284,690	617,007	901,697	-
Overdue:								
Less than 3 months	-	-	-	-	13,107	-	13,107	-
3 - 6 months	301	-	301	-	-	-	-	-
7-12 months	344	-	344	-	-	-	-	-
Total	431,027	589,247	1,020,274	-	297,797	617,007	914,804	-
Less allowance for								
expected credit loss	-	-	-	-	-	-	-	-
Net	431,027	589,247	1,020,274	-	297,797	617,007	914,804	-

(b.1.2) Cash and cash equivalents

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows through an adequate amount of committed credit facilities.

The following table is the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross are included contractual interest payments which are undiscounted and exclude the impact of netting agreements.

At 31 December 2022	Consolidated financial statements					
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
	(in thousand Baht)					
Non-derivative financial liabilities						
Trade and other current payables	369,309	369,309	-	-	-	369,309
Loans from financial institutions	261,680	255,463	8,694	-	-	264,157
Lease liabilities	34,536	25,493	10,589	2,181	-	38,263
Total	665,525	650,265	19,283	2,181	-	671,729

Consolidated financial statements

Contractual cash flows

At 31 December

2021

Non-derivative financial liabilities

Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
(in thousand Baht)					
Trade and other current payables	377,923	377,923	-	-	377,923
Short-term loans from other party	20,000	20,234	-	-	20,234
Loans from financial institutions	499,802	417,813	89,320	-	507,133
Lease liabilities	60,018	32,717	20,581	9,138	62,436
Total	957,743	848,687	109,901	9,138	967,726

Separate financial statements

Contractual cash flows

At 31 December

2022

Non-derivative financial liabilities

Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
(in thousand Baht)					
Trade and other current payables	424,447	424,447	-	-	424,447
Loans from financial institutions	261,680	255,463	8,694	-	264,157
Lease liabilities	30,456	19,241	10,208	2,112	31,561
Total	716,583	699,151	18,902	2,112	720,165

2021

Non-derivative financial liabilities

Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
Trade and other current payables	437,717	437,717	-	-	437,717
Short-term loans from other party	20,000	20,234	-	-	20,234
Loans from financial institutions	499,802	417,813	89,320	-	507,133
Lease liabilities	52,428	29,046	17,023	8,718	54,787
Total	1,009,947	904,810	106,343	8,718	1,019,871

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates, currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. However, the purchases is not material during the year so the Group did not utilise forward exchange contracts to hedge such financial liabilities denominated in foreign currencies.

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Because loan interest rates are mainly fixed, so the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of the Group.

Exposure to interest rate risk at 31 December	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht / thousand shares)			
Financial instruments with fixed interest rates				
Financial assets	-	-	40,000	40,000
Financial liabilities	251,836	497,600	247,756	490,010
Financial instruments with variable interest rates				
Financial liabilities	44,380	82,220	44,380	82,220

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Impact to profit or loss	Consolidated / Separate financial statements			
	2022		2021	
	1% increase in interest rate	1% increase in interest rate	1% increase in interest rate	1% increase in interest rate
	(in thousand Baht)			
Financial instruments with variable interest rate	(293)	293	(939)	939

20 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Commitments with non-related parties 21

	Consolidated / Separate financial statement	
	2022	2021
	(in thousand Baht)	
Other commitments		
Purchase orders for		
construction materials	10,692	1,362
Bank guarantees	1,085,129	1,153,056
Total	1,095,821	1,154,418

22 Contingent liabilities

The Company has been sued for a damage case by a company ("plaintiff") for breach of service contract in amount of Baht 18.31 million. The Company received a subpoena from the Civil Court on 30 November 2019. In this regard, the Company submitted a petition requesting and counterclaims on 27 January 2020. The Company sued to plaintiff seeking compensation of Baht 17.1 million for losses resulting from breach of service contract. The Court of the First Instance's judgement dated on 23 December 2020 considered that the termination from both parties have voluntarily terminated the contract since 27 September 2019. The Company has liable for payment of service contract to the plaintiff plus interest rate at 7.5% per annum starting from 3 November 2019 and the plaintiff has to return advance payment to the Company. The remaining liability that the Company has to paid to plaintiff amounting to Baht 3.12 million. As a result, the Company has recorded the provision followed by the Court of the First Instance's judgement.

Subsequently, the Appeal Court announced the judgement dated on 30 November 2021 agreed with the Court of the First Instance and considered the plaintiff and the Company have the voluntarily terminated the contract which either parties cannot claim damages from each other. Resulting to, the plaintiff has to return an advance payment after off-setting the contract value which the Company has to pay to the plaintiff amounting to Baht 2.57 million including, interest at the rate of 7.5% per annum from 24 January 2020 to 10 April 2021 and at the rate of 5% per annum from 11 April 2021 until the payment is complete to the Company. However, the interest rate may be adjusted, decreased or increased in accordance with the Royal Decree enacted under the revised Civil and Commercial Code, Section 7, plus a rate of 2% per annum but must not exceed the rate of 7.5% per annum.

On 26 May 2022 and 4 August 2022, the plaintiff submitted a request for appeal to the Supreme Court and a request for stay of execution to the Supreme Court. On 24 August 2022, The Supreme Court has its order to suspend the execution according to the Appeal Court's judgement during appeal. Currently, it is in the process of consideration by the Supreme Court and the Supreme Court has an order to consider the plaintiff's request for appeal on 28 March 2023. As at 31 December 2022, the Company remained the provision followed by the Court of the First Instance's judgement.

Event after the reporting period 23

The Board of Director's meeting held on 24 February 2023, the Board approved the dividend payment from the operating results for the year ended 31 December 2022 at the rate of Baht 0.20 per share, amounting to Baht 58.80 million. The dividend will be presented to the annual general meeting of the shareholders of the Company held in April 2023.

Section 4

Certification of the correctness of the information

The company reviewed the content and information in this annual report and certified that such content and information are complete and correct. There is no omission of any material facts that should have been stated therein. The company certified that

(1) The financial statements and all financial information which form part of this annual report have been truly, accurately, and completely disclosed and contain all material facts concerning the financial status, business operation and the cash flows of the company and its subsidiary.

(2) The company provided good information disclosure system to ensure that the company disclosed information that contain all material facts of the company and its subsidiary truly, accurately and completely including overseeing the practices in accordance with the mentioned system.

(3) The company provided good internal control and controlled the practices in accordance with the mentioned system. The company informed the information related to internal control system evaluation as at 24 February 2023 to the auditor and the company audit committee which cover defects and significant changes in the internal control system including malfeasance that may have an effect on the preparation of the company financial statements and its subsidiary financial statements.

To serve as evidence that all documents are the same ones that the company certified correctness, the company assigned Ms. Nita Treeweeranuwat to sign her name on every page of the documents. Any documents do not contain Ms. Nita Treeweeranuwat's signature, the company shall consider they are not information that the company certified the correctness as mentioned above.

Name	Position	Signature
Mr. Chung Sik Hong	Director / Chairman of Executive Committee / Chief Executive Officer	
Ms. Nita Treeweeranuwat	Director	
		
Attorney		
Name	Position	Signature
Ms. Nita Treeweeranuwat	Director	



Enclosure



No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	
1.	Mr. Narongrit Tavornvisitporn - Chairman of the Board of Directors - Audit Committee Member - Independent Director - Nomination and Remuneration Committee Member	71	- Bachelor's Degree from the Faculty of Engineering in Electrical Engineering (2nd class honors), Chulalongkorn University - Executive Master of Business Administration (MBA), Thammasat University - Post Graduate Diploma in Electrical Power Generation and Distribution System, The Norwegian Institute of Technology, University of Trondheim, Norway - General Member of the Council of Engineers in Electrical Engineering (Sor.For.Gor. 1489) - Director Certification Program (DCP) Batch of 166/2012 - National Director Conference 2019 - Director Leadership Certification Program (DLCP) of 3/2021 - Supply Chain Management, KPMG - Agile Organization and Enterprise Architecture, Mahidol University	-None-	-	2018 - Present 2018 – Present 2017 - Present 2016 - Present 1984 - 2012	- Independent Director - Chairman of the Board of Directors - Audit Committee - Independent Director - Chairman of the Board of Directors - Audit Committee Member - Independent Director - Chairman of the Board of Directors - Audit Committee Member - Nomination and Remuneration Committee Member - Independent Director - Chairman of the Audit Committee - Chairman of Nomination and Remuneration Committee - Assistant Managing Director - Chairman of the Audit	- STC Concrete Product Public Company Limited - Successmore Being Public Company Limited - CAZ (Thailand) Public Company Limited - DEXON Technology Public Company Limited. - Thai Oil Public Company Limited

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
2.	Mr. Nate Tabmanie - Chairman of the Audit Committee - Independent Director - Nomination and Remuneration Committee Member	64	- BBA and MBA International Business, Schiller International University, London, England - MSc in Economics, University of Strathclyde, Glasgow, Scotland - Governing Executive, Higher Level, Ministry of Interior Batch of 55 - National Defense College, Batch of 54 - Training Course preparing Thai government officials to the ASEAN Community for executive positions budget of the year 2012 in Singapore - Inspector General in Ministry level - Ethics, Governance and Anti Corruption, Korean Development Institution School (KDI) School of Public Policy - Training Course on Security Management Professional in an Advanced level, Batch of 6 - Leadership Development Program III (LDP III) Batch of 2/2015	-None-	-	2019 – Present	Committee - Independent Director - Nomination and Remuneration Committee Member - Chief Inspector General, Ministry of Energy - Deputy Director of the Energy Policy Office	- CAZ (Thailand) Public Company Limited
						2013 - 2019	- Director, office of petroleum and petrochemical policy, energy policy and planning division ministry of energy - Specialist in energy strategy planning	- Ministry of Energy
						2007 - 2013	- Director of the office of policy and strategy, office of the permanent secretary - Deputy Director of Energy Policy and Planning Office, Ministry of Energy	- Ministry of Energy

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
3.	Mr. Yingyong Techarungniun - Audit Committee Member - Independent Director	42	- Strategic Administrator for the Prevention and Suppression of Corruption, Higher Level Batch of 7 - Course Top Management in Industrial Business Development and Investment Batch of 6, Institute of Business and Industrial Development - Course Top Management for Nation- Building Batch of 9 in Nation-Building Institute - Director Certification Program (DCP) Batch of 168/2020	-None-	-	2009 - 2011	- Director of Public Communications and Public Acceptance Nuclear Power Plant Project Development Office - Spokesperson for the Ministry of Energy	- Ministry of Energy
						2017- Present	- Audit Committee Member - Independent Director	- CAZ (Thailand) Public Company Limited
						2017 - Present	- Director	- Klang Kao Klang Mai Company Limited
						2011- Present	- General Manager	- Thalbrass Company Limited
4.	Mr. Chung Sik Hong - Director (Authorized Director) - Chairman of the Executive Committee	64	- Bachelor's Degree from the Faculty of Engineering in Mechanical Engineering, Ajou University, Korea - Director Accreditation Program (DAP) Batch of 146/2018	9.76%	-	2014 - Present	- Director - Chairman of the Executive Committee / - Chief Executive Officer - Chairman of the Risk Management Committee - Chairman of the	- CAZ (Thailand) Public Company Limited

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
	- Chief Executive Officer					2022 - Present	Anti-Fraud and Corruption Committee	
	- Chairman of the Risk Management Committee					2017 - Present	- Director	- JKEC Company Limited
	- Chairman of the Anti-Fraud and Corruption Committee					2004 - 2013	- Chief Executive Officer	- Thai Woo Ree Engineering Company Limited
						1987 - 2004	- Piping Engineering Team Leader - Construction Manager - Project Manager	- SK Engineering & Construction
						1984 - 1987	- Piping Engineer	- Hyundai Engineering
5.	Mr. Prasert Treeveeranuwat	62	- High School Diploma from Bodindecha (Sing Singhaseni) School - Director Accreditation Program (DAP) Batch of 103/2013	0.06%	He is the husband of Ms.Kanchana Rimpanichayakij and the father of Ms. Nita Treeveeranuwat	2016 - Present	- Director - Executive Committee Member - Risk Management Committee Member	- CAZ (Thailand) Public Company Limited
	- Executive Committee Member					2007 -Mar 2023	- Director	- Takuni Group PLC.
	- Risk Management Committee Member					2022 - 2022	- Executive Committee Member	
						2007 - 2021	- Chairman of Executive Committee	

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
6.	Ms. Niita Treeveeranuwat - Director (Authorized Director) - Executive Committee Member	36	- Bachelor's Degree from the Faculty of Engineering in Mechanical Engineering, Thammasat University / University of Nottingham - Bachelor's Degree in Accounting, Sukhothai Thammathirat Open University - Master's Degree in Financial Management, Queen Mary University of London, UK - Director Accreditation Program (DAP) Batch of 100/2013 - Director Certification Program (DCP) Batch of 208/2015 - Company Secretary Program (CSP) Batch of 53/2015	0.41%	She is the daughter of Mr. Prasert Treeveeranuwat and Ms. Kanchana Rimpanichayakij	2015 - Mar 2023	- Director	- CAZ (Thailand) Public Company Limited
							- Executive Committee Member	
						2023	- Director	- SME Global Company Limited
						Dec 2022 - Mar 2023	- Director	- Sersol Takuni (Thailand) Company Limited
						2022 - Mar 2023	- Director	- Food Ordey Company Limited
						2007 - 2022	- Chief Executive Officer/ Managing Director	
						2018 - 2022	- Chairman of Risk Management Committee	
						2017 - Dec 2022	- Chairman of Anti-Corruption Committee	- Takuni (Thailand) Company Limited
						2002 - 2018	- Chairman of the Executive	
							- Managing Director	

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
			- Advance Master of Management Program, AMM Batch of 7/2021			2022 - Mar 2023	- Director	- Grandline Innovation Company Limited
						Mar 2022 - Mar 2023	- Director	- Enrich Property Company Limited
						May 2022 - Mar 2023	- Director	- Enrich Ventures Company Limited
						2021 - Present	- Director	- Grandline Innovation Company Limited
						Apr 2021 - Oct 2022	- Director	- Watchapuch Thai Company Limited
						Feb 2021 - Mar 2023	- Director	- G Gas Logistics Company Limited
						May 2019 - Mar 2023	- Director	- Exact Real Estate Company Limited
						May 2019 - Mar 2023	- Director	- Sermasch Company Limited
						May 2019 - Mar 2023	- Director - Managing Director - Director - Managing Director	- Sorb Engineering Company Limited

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
							- Director - Managing Director	
						Apr 2019 - Mar 2023	- Acting Deputy Managing Director - Director	- Takuni Trading Company Limited
						2017 - Mar 2023	- Acting Managing Director	- Takuni Land Company Limited
						2020 - Mar 2023	- Director	
						2014 - 2020	- Director	- Takuni (Thailand) Company Limited
						2011 - Mar 2023	- Director	
						2011 - Mar 2023	- Director	
						2019 - Mar 2023	- Executive Committee Member - Deputy Managing Director of General Administration - Acting Deputy Managing Director of Human Resources	- Takuni Group Public Company Limited
						2022	- Chairman of the Executive Committee	

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience	
						Period	Position
						Jan 2022 - Mar 2023	- Chief Executive Officer - Managing Director - Deputy Managing Director of Sales
7.	Mr. Somchai Kanbuakaew - Director (Authorized Director) - Executive Committee Member - Risk Management Committee Member - Chairman of the Nomination and Remuneration Committee	74	- Bachelor's Degree from the School of Engineering in Mechanical Engineering, Sripatum University - Bachelor's Degree from the Faculty of Engineering in Industrial Engineering, the Institute of Technology and Vocational Education - Director Accreditation Program (DAP) Batch of 129/2016	0.00	-	2015 - Present	- Director - Executive Committee Member - Risk Management Committee Member - Chairman of the Nomination and Remuneration Committee
						2016 - Present	- Executive Director
						2022	- Chairman of the Nomination and Remuneration Committee - Director
						2015 - Present	- Director
						2015 - Present	- Director
							- CAZ (Thailand) Public Company Limited
							- Takuni Group Public Company Limited
							- Takuni (Thailand) Company Limited
							- G Gas Logistics Company Limited
							- Ratchapruet Engineering Company Limited

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
						2015 - Present	- Director	- Takuni Land Company Limited
						2019 - Present	- Director	- Exact Real Estate Company Limited
						1972 - 2008	- Specialist	- Department of Energy Business
8.	Ms. Kanchana Rimpanichayakij - Director	64	- Bachelor's Degree in Business Administration, Assumption University - Director Accreditation Program (DAP) Batch of 103/2013	0.00	She is the Wife of Mr. Prasert Treeveeranuwat and is the mother of Ms. Nita Treeveeranuwat	2018 - 2023 2012 - 2022	- Director - Executive Director - Director	- CAZ (Thailand) Public Company Limited - Takuni Group Public Company Limited - Ratchapruet Engineering Company Limited
9.	Mr. Yeong Cheol Choi - Chief Operating Officer - Engineering and Procurement Division Manager (Acting)	59	- Bachelor's Degree from the Faculty of Engineering, Chung-Ang University Director Accreditation Program (DAP) Batch of 146/2018	2.55%	-	2018 - Present 2014 - Present 2004 - 2014	- Director - Chief Operating Officer - Engineering and Procurement Division Manager Senior Vice President	- CAZ (Thailand) Public Company Limited - Thai Woo Ree Engineering Company Limited
10.	Mr. Somyos Tiranawatananun	61	- Bachelor of Business Administration (Accounting), Srinakharinwirot University (Prasarnmit Campus)	-None-	-	2023 - Present		- CAZ (Thailand) Public Company Limited

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
			<ul style="list-style-type: none"> - Master of Business Administration (Management), Kasetsart University - Ph.D., Doctor of Marketing, Eastern Asia University - Director Accreditation Program (DAP) Batch of 134/2017 			2022 - Present 2020 - Present 2017 - 2019	- Director - Director - Executive Director - Chief Executive Officer	- Takuni Group Public Company Limited - SCG Grand Company Limited - Mintech Laboratory Company Limited
11.	Mr. Prapas Kong-led	61	<ul style="list-style-type: none"> - Bachelor of Laws (2nd class honors), Ramkhamhaeng University - Barrister at the Thai Bar Association - International Tax Program Certificate and Master of Laws (ITP/LL.M.), Harvard Law School, Harvard University, Massachusetts, U.S.A. by Ministry of Finance Scholarship 	-None-	-	10 Feb 2021 - Present 2021 - Present 2020 - Present	- Managing Director - Comptroller General - Chairman of the Board - Independent Director - Chairman of the Corporate Governance Committee - Member of the Audit Committee - Managing Director - Director	- Comptroller General's Department - Thai Credit Guarantee Corporation - Dhipaya Group Holding Public Company limited - State Enterprise Policy Office - The Siam Commercial Bank Public Company Limited

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience	
						Period	Position Division / Company
						2017 - 2018	- Managing Director - Public Debt Management Office
						2017 - 2019	- Chairman - National Credit Bureau
						2017 - 2020	- Director - Law Reform Commission of Thailand
						2015 - 2017	- Director - Don Muang Tollway Public Company Limited
						2015 - 2017	- Member - National Reform Steering Assembly
						2012- 2018	- Director - Government Savings Bank
						2015 -2017	- Deputy Permanent Secretary Office - Permanent Secretary for Finance, Ministry of Finance
						2013 - 2015	- Chairman - The Erawan Group Public Company Limited
						2012 - 2015	- Legal Advisor - Ministry of Finance
						2001 - 2012	- Judge of the Central Tax Tax Court - Court Central Tax Court
						1998 - 2001	- Judge of the Ministry - Central Tax Court Ministry of Justic

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
12.	Mrs. Phomthiphat Khantheevit - Chief Financial Officer - Executive Committee Member	49	- Bachelor's Degree in Business Administration (Accounting), Rajamangala University of Technology - Master of Business Administration (MBA), Srinakharinwirot University (Prasarnmit Campus) - Master of Business Administration (MBA), Virginia International University, USA	-None-	-	2017 - Present 2014 - 2016 1997 - 2011	- Chief Financial Officer - Tax and Accounting Advisor - Finance Manager	- CAZ (Thailand) Public Company Limited - Won Solutions Company Limited - Internet Thailand Public Company Limited
13.	Mrs. Thitima Tanapakit - Executive Committee Member	43	- Bachelor's Degree from the Faculty of Commerce and Accountancy, Thammasat University - Master of Business Administration (MBA), Thammasat University - Strategic CFO Course Batch of 4	0.00	-	2015 - Present 2013 - Present 2004 - 2008	- Executive Committee Member - Chief Financial Officer - Executive Committee Member - Auditor	- CAZ (Thailand) Public Company Limited - Takuri Group Public Company Limited - Pricewaterhouse Cooper ABAS
14.	Mrs. Wimol Wehanarat - Support Division Manager	51	- Bachelor's Degree in Accounting, Rambhai Barni Rajabhat University - Master's Degree from the Graduate School of Commerce in Managerial Accounting, Burapha University	-None-	-	April 2561 - Present 2004 - 2018	- Support Division Manager - Accounting Department Manager	- CAZ (Thailand) Public Company Limited - Thai Woo Ree Engineering Company Limited

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 17 Mar 2023	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
15.	Mr. Wang Youp Jhee - Construction Division Manager - Chief Operating Officer	51	- Bachelor's Degree from the Faculty of Engineering in Civil Engineering, Sungkyunkwan University, Korea	2.77%	-	2014 - Present 2022 - Present 2005 - 2014	- Construction Division Manager - Chief Operating Officer - Project Manager	- CAZ (Thailand) Public Company Limited - Thai Woo Ree Engineering Company Limited
16.	Ms. Maliwan Sriwasasom - Accounting Department Manager	43	- Bachelor's Degree from the Faculty of Management and Tourism in Accounting, Burapha University	0.00	-	2014 - Present 2017 - Present 2001 - 2012	- Accounting Department Manager - Director (Authorized Director) - Accounting Officer	- CAZ (Thailand) Public Company Limited - JKEC Company Limited - Thai Woo Ree Engineering Company Limited
17.	Ms. Nattiya Charusombat - Company Secretary - Planning Officer	40	- Bachelor's Degree from the School of Business Administration in Industrial Management, Sripatum University - Company Secretary Program (CSP) Batch of 88 / 2018 - Anti-Corruption: The Practical Guide (ACPG 60/2022)	0.00		2015 - Present 2011 - 2015	- Company Secretary - Planning Officer - Planning Officer	- CAZ (Thailand) Public Company Limited - Thai Woo Ree Engineering Company Limited

Attachment 2

Detail on Directors, Executives of the subsidiaries (JKEC Company Limited)

Detail on Directors, Executives

NO.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
1.	Mr. Chung Sik Hong - Director	64	- Bachelor's Degree from the Faculty of Engineering in Mechanical Engineering, Ajou University, Korea - Director Accreditation Program (DAP) Batch of 146/2018	0.00	-	2014 - Present	- Director - Chairman of the Executive Committee/ - Chief Executive Officer - Chairman of the Risk Management Committee	- CAZ (Thailand) Public Company Limited
						2017 - Present	- Director	- JKEC Company Limited
						2004 - 2013	- Chief Executive Officer	- Thai Woo Ree Engineering Company Limited
						1987 - 2004	- Piping Engineering Team Leader - Construction Manager - Project Manager	- SK Engineering & Construction
						1984 - 1987	- Piping Engineer	- Hyundai Engineering
2.	Ms. Maliwan Sriwasasom - Accounting Department Manager	43	- Bachelor's Degree from the Faculty of Management and Tourism in Accounting, Burapha University	0.00	-	2014 - Present	- Accounting Department Manager	- CAZ (Thailand) Public Company Limited
						2017 - Present	- Director (Authorized Director)	- JKEC Company Limited
						2001 - 2012	- Accounting Officer	- Thai Woo Ree Engineering Company Limited
3.	(Mr. Jeong Kyu Choi) - Director (Authorized Director) - Chief Executive Officer	49	- Kum-Oh National Institute of Technology, Korea	26.83	-	2016 - Present	- Director	- JKEC Company Limited
						2011 - 2015	- Construction Manager	- Thai Woo Ree Engineering Company Limited

Attachment 3

The detail on the Head of Internal Audit (Compliance)

Name - Surname/ Position/ Appointed date	Age (Years)	Education/Training	Experiences		
			Periods	Positions	Organization/ Company/ Business
1.Ms. Anutsaya Raksasorn	37	Education <ul style="list-style-type: none"> • Master's Degree from the Faculty of Commerce and Accountancy in Insurance Statistics, Chulalongkorn University • Bachelor's Degree from the Faculty of Management Sciences in Accountancy, Prince of Songkla University Certificate • Dharmniti Young Executive, Batch No. 1 • Certified Professional Internal Auditors of Thailand (CPIAT) • Preparation Course for Certified Internal Auditor (Pre-CIA), Batch No. 26 Training <ul style="list-style-type: none"> • COSO 2013 Course: Theory and Practice • IA Standards and Internal Audit Process Improvement • Anti-Corruption Section • Preparation Course for Certified Internal Auditor (Pre-CIA) Course, Batch No. 26 • IA Clinic: Corruption Fraud • Asian Confederation of Institutes of Internal Auditors (ACIIA) Japan • Internal Audit Comprehensive: IAC • The Convergence of Security 2021 • Fraud Prevention and Detection 2021 • CAC SME • IA Academy _Top Risk 2021 • Internal Audit Modernization 2021 • Current Situation and Future Direction of TFRSs • Preparation of One Report (56-1) • Thailand's Personal Data Protection Act "PDPA" • Agile Auditing 2022 • Analysis Thinking after COVID-19 2022 • Future Trends Cybersecurity in Internal Audit 2022 • Financial Accounting Guideline • IT Audit for Non-IT Audit • The Institute of Internal Auditors of Thailand's Seminar for the Year 	2017 - Present 2015 - 2017 2010 - 2015 2008 - 2010	<ul style="list-style-type: none"> • Director • Ass.Director • Senior Internal Audit • Internal Audit 	<ul style="list-style-type: none"> • Dharmniti Internal Audit Company Limited / Internal Audit Services

Name - Surname/ Position/ Appointed date	Age (Years)	Education/Training	Experiences		
			Periods	Positions	Organization/ Company/ Business
2. Ms. Nutthiyakorn Pasarak	27	Education <ul style="list-style-type: none"> • Bachelor of Accountancy, Mahidol University Certificate • Listening and Speaking Certificate, Ramkhamhaeng Institute of Languages (RIL) • Essential Grammar for Writing and Speaking Certificate, Chulalongkorn University • PDPA, Mahidol University Training Course <ul style="list-style-type: none"> • IA Standards and Internal Audit Process Improvement • IA standard and internal audit process improvement • Reporting principle • CIA course • The Institute of Internal Auditors of Thailand's Seminar for the Year 	2020 - Present 2018 - 2020	<ul style="list-style-type: none"> • Senior Internal Audit • Internal Audit 	<ul style="list-style-type: none"> • Dharmniti Internal Audit Company Limited / Internal Audit Services

Enclosure 4

Assets used in business operation and details of the property appraisal

Assets used in business operation

As at 31 December 2022, the Group has property, plants, and equipment used in the operation as follows;

Description	Net Book Value (Million Baht)	Ownership	Commitments
Property Plant and Equipment	261.11 ^{2/}	CAZ	Used as assets collateral for the Company's credit facilities such Letter of Guarantee and working capital. ^{1/}
1. Land are follows;			
1.1 Title Deed number 111802, 111803, 111804, (Nor Sor 3 Kor). Located on 239 Huaypong-Nongbon Road, Huaypong Sub-district, Muangrayong District, Rayong Province.			
1.2 Title Deed Nor Sor 3 Kor number 68, 226,1278,1295, 12280. Located on 69, Lahan Sub-district, Pluakdang District, Rayong Province.			
2. Building and improvement	106.64	CAZ	Used as assets collateral for the Company's credit facilities such Letter of Guarantee and working capital. ^{1/}
3. Machinery, tools and equipment ^{3/}	133.77	CAZ	-none-
4. Furniture and fixtures	3.22	CAZ	-none-
5. Office equipment	7.52	CAZ	-none-
6. Vehicles	9.71	CAZ	-none-
7. Vehicles for construction projects	6.84	CAZ	-none-
8. Assets under installation	7.11	CAZ	-none-
Total Property Plant and Equipment	536.92		
Intangible assets			
9. Program computer	12.38	CAZ	-none-
Total Intangible assets	549.70		

Note : ^{1/}In 2016, the Company mortgage land and building with a financial institute, amounting of Baht 355 million.

And In 2021, has another mortgage amounting to Baht 166 million with another financial institute as well.

^{2/} Including, right-of-use of land amounting to Baht 1.79 million,

^{3/} Including, right-of-use of machinery, tools and equipment, amounting to Baht 45.32 million.

Investment Policy in Associated Company or Subsidiary

The Company has a policy to invest in businesses that are related to the Company's core business and beneficial or support the Company's operations. To increase earn, profitability, and competitive advantage of the Company. For the associated Company or a subsidiary operation, the Company assigns the company's representatives to be committee and directors according to the size of shareholding. To supervise the operations of the subsidiary to go in the right direction and strategic, including to get the highest benefit and achievement for the Company's target.

Currently, the company has invested in a subsidiary, JKEC Company Limited ("JKEC"). Holding 73.17% of the subsidiary. And appointed the Company's executives to be directors in the said subsidiary to monitor the operating of the subsidiaries. Moreover, to supervise the collection of the subsidiary's information and accounting records for auditing as well.

Detail of the property appraisal

- None -

Enclosure 5

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of CAZ (Thailand) Public Company Limited consists of three independent directors who are not executive directors, employees, or consultants of the company or its subsidiary. The committee has performed the engagements independently under Audit Committee Charter to oversee and support the company so that the company has sufficient and effective corporate governance. This is consistent with the rules and guidance for the Audit Committee of a public company, specified by the Securities and Exchange Commission and the Stock Exchange of Thailand.

In year 2022, the Audit Committee held 6 meetings, occasionally with the management, internal auditors, including a private meeting with independent auditors, to discuss on relevant issues, as summarized below.

Review of the Financial Statements

The Audit Committee has reviewed quarterly and annually the consolidated and company financial statements for the year 2022 of CAZ (Thailand) Public Company Limited. All of which were prepared and conducted according to Thai Financial Reporting Standards (TFRSs) and Thai Accounting Standards (TASs) with accuracy and the information therein was adequately disclosed. In addition, the Audit Committee had held one private meeting with the independent auditors in the absence of the management so as to freely discuss important issues in preparing the financial statements, adjusting entries materially affecting the statements, reviewing suitability of accounting entry methods and auditing scope, disclosing information beneficial for the intended users, as well as the independence of auditors. This is to ensure that the preparation of the financial statements is complied with the company's legal compliance, TFRSs, TASs and generally accepted accounting principles. The Audit Committee has eventually approved that the Audited Financial Statements, with unqualified audit opinion, is free of material misstatements.

Review of the Risk Assessment

The Audit Committee has reviewed risk assessment and risk management report and followed up its results on quarterly basis by considering both internal and external risk factors, their likelihood and impacts, as well as risk appetite, to ensure that the Company mitigated risks to an acceptable level. The Audit Committee found that the Company clearly institutionalized appropriate risk management process and communicate same to relevant supervisors in the organization so as to embed risk management culture that management and employees were well aware that risk management was collectively everyone's responsibility.

Review of the Internal Control and Audit System

The Audit Committee has reviewed the internal auditor's report regarding the assessment of internal control system and found that all respective controls are appropriate for the business operations, capable to cope with significant risk factors and supportive to effective performance of the Company. The Audit Committee also reviewed the performance of the internal auditor and found that the audit quality had continuously been improved, audit operation was carried out according to international standards and auditor's skills had regularly been developed.

In addition, the Audit Committee has considered and approved the internal audit plan for the year 2023 which would be conducted in line with respective risk assessment. The Audit Committee also indicated scope of the internal audit to cover all significant

Review of the Corporate Governance and Regulatory Compliance

The Audit Committee has reviewed business execution against the Company's code of conduct and corporate governance which revealed that the Company has complied with all related laws, regulations and requirements of The Stock Exchange of Thailand. In addition, the Company has strictly adhered to good governance practices and aimed to operate its business towards sustainability development direction. To raise awareness of people concerned on business ethics, the Board of Directors already set Company's anti-corruption policy in writing and always encourage management and employees at all levels to adhere to the written ethical conducts.

Appointment of the Certified External Auditors

The Audit Committee was satisfied with the independence, professionalism, expertise and quality of work done by the current Independent Auditors, namely, KPMG Phoomchai Audit Limited. Thereby, the Committee proposed to the Board of Directors to verify and passed the resolution to seek approval from Shareholders to appoint Ms. Vipavan Pattavanvivek Certified Public Accountant (CPA) No. 4795; and/or Ms. Nawarat Nitikeatipong, CPA Registration No. 7789; and/or Ms. Chanarat Chanwa, CPA Registration No. 9052, under KPMG Phoomchai Audit Limited, to be independent auditors for the Company and its subsidiary for the fiscal year 2023, including approval of respective audit fee totaling THB 3.27 million.

Review of the Connected Transactions or Transactions with Potential Conflicts of Interest

The Audit Committee has considered relevant transactions which may potentially lead to conflicts of interest according to the conditions of fairness, transparency, and adequate disclosure for the greatest benefits of the company, as specified by the Stock Exchange of Thailand. The Audit Committee concluded that the Company's connected transactions were fair, transparent, not leading to conflicts of interest, strictly complied with the stipulated business conditions and reasonable pricing, to optimize benefits of the shareholders.

In 2022, the Audit Committee has performed their assigned duties as specified in the Audit Committee Charter of which approved by the Company's Board of Directors. The Audit Committee exercised its expertise, knowledge, prudence and adequate independence for the interests of stakeholders equally. The Audit Committee agreed that the 2022 Financial Reports of the Company were accurate, reliable, sufficiently disclosed and prepared in accordance with generally accepted accounting principles. The Company's risk management process was proper and overall internal control system was effective and appropriate for the business operations. The Company transactions complied with relevant laws, regulations, and obligations as well as sufficiently integrated corporate governance therein, leading to transparency and reliability. The Audit Committee also agreed that the Company had continuously improved its operation systems, aiming for higher productivity, quality and appropriate for business environment.

(Mr. Natie Tabmanie)
Chairman of the Audit Committee



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