

Form 56-1 One Report 2021



PSG Corporation Public Company Limited

31 March 2022

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# Part 1

## Business Operation and Performance

# 1. Group Structure and Business Operations

## 1.1 Business Policies and Overview of Business Operations

PSG Corporation Public Company Limited ("**the Company**")<sup>1</sup>, formerly known as "T Engineering Corporation Public Company Limited", respectively, is a multifaceted construction company offering a wide range of services, including civil engineering, installation, system engineering, and other EPC services. The Company has a proven track record of more than 40 years and has been well-known in the industry. Furthermore, it has also been certified by ISO Certification Institute (MASCI) for ISO 9001: 2015.

### 1.1.1 Vision, Missions, and Corporate Values

The Company's Board of Directors has set the vision, mission, and goals of the Company based on the commitment to create sustainable value for the business and shareholders through improvements in competitive abilities, assurance of reasonable returns, and conducting of business with integrity.

#### Vision

To improve the quality of life and be a leading company in ASEAN through excellence in construction and engineering services.

#### Mission

To create a sustainable, multi-generational institution with strong governance based on integrity, ethics, and compassion.

- (1) Provide professional construction services that are both high-quality and efficient.
- (2) Utilize innovative engineering, and collaborate with a diverse range of world-class consultants who are experts in their fields.
- (3) Adhere to good corporate governance principles and conduct business with integrity and accountability to stakeholders and society at large.

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<sup>1</sup> In 2017, the Company changed its name from "Thai Industrial and Engineering Service Public Company Limited" to "T Engineering Company Limited. Corporation Public Company Limited," and in 2021 it was renamed "PSG Corporation Public Company Limited".

### Corporate Values

- **Focus:** We stay focused on tasks at hand
- **Analytical thinking:** We think outside the box and find creative solutions
- **Integrity:** We stay true to our commitments
- **Agility:** We adapt to all challenges
- **Innovation:** We use technology to the fullest potential

#### 1.1.2 Significant Changes and Development

The Company was established on April 10, 1981, by a group of engineers with extensive experiences in both engineering and project management. The initial registered capital was THB 1 million. The Company initially focused on factory building construction projects and system installations in industrial plants. Later on, the Company expanded its services to include larger and more complex construction projects.

In 2006, the Company was listed on the Market for Alternative Investment (MAI), with the first day trade of the Company's securities on September 28, 2006. The initial public offering (IPO) price was THB 2.80 per share, with a par value of THB 1.00 per share. Following its listing on the MAI, the Company expanded its construction services to include shopping malls, high-rise residential buildings, hospitals, hotels, resorts, housing and residential projects.

In 2009, the Company adopted the ISO 9001:2008 quality management system, allowing it to control work quality and measure work performance of internal and external operating units more efficiently and effectively. Moreover, the Company increased its registered capital to THB 352.50 million to provide additional working capital for business operations by issuing 217.50 million new ordinary shares with a par value of THB 1 per share, as well as TIES-W1 warrants to purchase 117.50 million newly issued ordinary shares. Of the total newly issued ordinary shares, 100 million of which were offered through a private placement process at THB 0.50 per share, with the remaining 117.50 million ordinary shares reserved for the exercise of warrants offered to the Company's existing shareholders.

In 2012, the Company increased its paid-up capital to THB 446.4 million as working capital for business operations by offering 235.125 million newly issued ordinary shares to the Company's existing shareholders at a ratio of 1 existing share to 1 newly issued share with a price of THB 0.75 per share.

In 2013, the Company increased its registered capital to THB 694.1 as working capital for business operations by offering 245.20 million warrants, 223.20 million of which were reserved in proportion to their shareholding for existing shareholders. Furthermore, 245.20 million newly issued shares were allotted to accommodate warrant exercise.

In 2014, the Company increased the registered capital from THB 686.38 million to THB 4,249.72 million as working capital for business operations by offering 2,455.70 million newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right offering) at a ratio of 1 existing share to 5.5 newly issued shares at a price of THB 0.20 per share. In addition, the Company allocated and offered up to 1,029.93 million newly issued ordinary shares and 77.71 million newly issued shares to accommodate TIES-W2 and TIES-WA warrant right adjustments, respectively.

In 2015, the Company increased its business objectives from 18 to 39 items in order to support future business expansion, particularly in the energy, power plant, and nano-finance sectors, as well as the operation as the government's lottery retailer. In addition, the Company's registered capital was increased from THB 4,249,720,289 to THB 40,350,702,039, and its paid-up capital was increased from THB 2,902,737,512 to THB 10,114,930,520. The Company also issued 1,451,094,354 T-W3 warrants, each of which entitled the holder to purchase 1 newly issued ordinary shares at an exercise price of THB 1.00 per share. The warrant was valid for 3 years from the date of issuance and offering (the issuance date was August 10, 2015 and the expiry date was August 9, 2018). In addition, in 2015, the Company changed the stock symbol from "TIES" to "T"

In 2016, the Company reduced its registered capital from THB 40,350,702,039 to THB 40,350,563,763 by canceling 138,276 unissued registered ordinary shares with a par value of THB 1 per share earmarked for the exercise of the T-W3 warrants. Furthermore, the registered capital was increased from THB 40,350,563,763 to THB 41,294,049,764 by issuing 943,486,001 newly issued shares with a par value of THB 1 per share, of which 861,811,770 were issued to accommodate the exercise of T-W3 warrants (which had been increased from 1,451,232,630 shares to 2,313,044,400 shares) and the remaining 81,674,231 shares were issued to accommodate the exercise of the T-WA warrant (which had been increased from 94,538,889 shares to 176,213,120 shares).

In 2017, the Company was renamed "**T Engineering Corporation Public Company Limited**". In addition, the Company reduced its registered capital from THB 41,294,049,764 to THB 13,035,049,764 by cancelling 2,569,000,000 unallotted shares remaining from the private placement of 25,690,000,000 newly issued ordinary shares with a par value of THB 1 per share and the T-W4 warrants. Furthermore, the Company established T Asset

Management Co., Ltd., a subsidiary company in which it held 99.99% of paid-up capital, to operate property development and asset management businesses. The registered capital was THB 1,000,000, which was divided into 100,000 ordinary shares with a par value of THB 10 each.

In 2018, the Company amended Section 27 of Chapter 4 of its Articles of Association, Re: Shareholder Meeting, to comply with the Order of the Head of the National Council for Peace and Order (NCPO) No. 21/2560, dated April 4, 2017, Re: the Amendments of Laws to Facilitate the Ease of Doing Business. The Order amended Section 100 of the Public Company Act, B.E. 2535, Re: Granting Shareholders Rights to Call an Extraordinary Meeting. Furthermore, the T-WA warrants (allocated to management and employees) and T-W3 warrants (allocated to existing shareholders in proportion to their shareholdings) expired, leaving 2,489,111,608 unissued registered shares. Furthermore, in 2018, the Company registered to dissolve T Asset Management Co., Ltd., a subsidiary company, and completed the liquidation process on January 28, 2019.

In 2019, the company reduced its registered capital from THB 13,035,049,764 to THB 10,545,938,156 by canceling 2,489,111,608 unissued registered shares with a par value of THB 1 per share that remained after the expiration of 176,213,120 T-WA warrants and 2,312,898,488 T-W3 warrants.

In 2020, two significant legal disputes came to an end. The Company settled a construction contract dispute with an employing company ("main contractor"). This was a significant dispute that arose as a result of the Company's entry into a subcontracting contract in 2013, and the main contractor terminated the Company in 2014. In late 2020, the Supreme Court ruled in another significant lawsuit filed by the Company that the employer must pay the Company a net amount of 65.01 million baht, plus interest from the date of filing until full payment was made.

Furthermore, in 2020, the Company reduced its registered capital from THB 10,545,938,156 to THB 10,114,938,156 by canceling 431,000,000 unissued registered shares with a par value of THB 1 per share earmarked for the exercise of T-W4 warrants offered through a private placement process. The Company also approved an amendment to Section 4 of its Memorandum of Association to reflect the decrease in registered capital.

Furthermore, the Company raised its registered capital from THB 10,114,938,156 to THB 12,826,431,971 by offering 2,711,493,815 newly issued ordinary shares with a par value of THB 1 per share to existing shareholders in proportion to their shareholdings and to investors through a private placement process. In addition, the company registered a change in paid-up capital with the Department of Business Development, Ministry of

Commerce, from THB 10,114,938,156 to THB 10,948,438,156 as a result of the sale of 833,500,000 newly issued shares with a par value of THB 1 per share and at a price of THB 0.03 per share, via rights offering and private placement processes.

### Significant Changes and Development in 2021

On January 5, 2021, the Company relocated its headquarter from No. 3 Rajanakarn Building, 15th floor, South Sathorn Road, Yan Nawa Sub-district, Sathon District, Bangkok 10120 to No. 242, 244 Krung Thonburi Road, Khlong Ton Sai, Khlong San, Bangkok 10600.

On October 12, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 approved an increase in the Company's registered capital of THB 54,044,000,000 by offering 54,044,000,000 newly issued ordinary shares with a par value of THB 1 per share through a private placement process at a price of THB 0.02 per share. On October 26, 2021, the Company received THB 1,080,880,000 in payment for the newly issued shares from the new group of shareholders.

On October 27, 2021, the Company registered the change in paid-up capital from THB 10,948,438,156 to THB 64,992,438,156 with the Department of Business Development, Ministry of Commerce. Moreover, the Company was renamed from "T Engineering Corporation Public Company Limited" to "PSG Corporation Public Company Limited" and its logo and seal were changed as shown below.

The Company's Logo



The Company's Seal



On November 2, 2021, the Company changed the stock symbol for trading on the Market for Alternative Investment (MAI) from "T" to "PSG".

### 1.1.3 Utilization of Proceeds from the Capital Increase

As of December 31, 2021, the Company's utilization of proceeds from the capital increase according to the objectives specified in the Right Offering of newly issued ordinary shares through the private placement process can be summarized as follows:

Objectives	Net actual PP Proceed	Actual Spending as of Dec 31, 2021	Balance as of Dec 31, 2021
Capital for construction projects in 2021-2023	970,000,000	-	970,000,000
Working capital for the Company's business operations	110,880,000	30,289,942	80,590,058
<b>Total</b>	<b>1,080,880,000</b>	<b>30,289,942</b>	<b>1,050,590,058</b>



## 1.2 Nature of the Business

### 1.2.1 Revenue Structure

Total revenue in 2021 was THB 44.58 million, which was broken down into the following categories:

Revenue	2021		2020		2019	
	THB million	%	THB million	%	THB million	%
Revenues from construction contracts						
Industrial factory and steel superstructure works	18.49	41.48	57.21	71.25	250.05	78.28
High-rise residential building, office building, and shopping mall	-	-	-	-	10.70	3.35
Hospital	-	-	-	-	18.87	5.90
Petrochemical group	-	-	3.60	4.48	19.56	6.12
<b>Total revenues from construction contracts</b>	<b>18.49</b>	<b>41.48</b>	<b>60.81</b>	<b>75.73</b>	<b>299.18</b>	<b>93.65</b>
Other revenues	26.09	58.52	19.49	24.27	20.27	6.35
<b>Total revenues</b>	<b>44.58</b>	<b>100.00</b>	<b>80.30</b>	<b>100.00</b>	<b>319.45</b>	<b>100.00</b>

### 1.2.2 Information on Products and Services

#### (1) Nature of Product

The Company is a multifaceted construction company offering a wide range of services, including civil engineering, installation, system engineering, and other EPC services. The company's services can be divided into three categories:

#### 1.1) Civil Engineering Services

Civil, reinforced concrete structures, steel structures, and architectural engineering are among the services offered by the Company in addition to landscape and road design. To increase the Company's work efficiency and ability to acquire more complex construction projects, the Company uses pre-fabrication engineering, allowing the Company to take on construction projects requiring a high degree of precision.

#### 1.2) Engineering System Installation Services

The Company offers both indoor and outdoor engineering system installation services including electrical systems, energy management systems, telecommunications systems, air conditioning systems, sanitation systems, and fire protection systems. Although these services are not the primary focus of the Company, they are necessary to help support construction services, which is the core business of the Company. Often, the system installation service is included in construction plans that the

Company proposes to its customers and is one of the Company's selling points when bidding for new projects.

### 1.3) Engineering Procurement Construction Services (EPC)

Based on previous experiences in the petrochemical sector, as well as the renewable energy sector, such as biodiesel and ethanol plant, the Company is able to provide EPC (Engineering, Procurement, and Construction) services on a lump sum turnkey basis. Under an EPC project the Company is responsible for acquiring all necessary construction materials, equipment, and machinery, as well as carry out the construction works until the project is completed and handed over to the owner.

## (2) Market and Competition

### 2.1) Competitive Strategy

The Company's competitive strategy and business policy can be summarized as follows:

- **Executives' abilities and experiences:** The company has an executive team with experience in multiple sectors as well as field engineering expertise, and strong business understanding, critical to turn around the business and seek new opportunities.
- **Workforce capabilities:** The Company employs a high-quality construction team with over 40 years of experience. Furthermore, the Company implements policies which continue to enhance and develop personnel by providing training to increase competency and instill quality consciousness at all levels to ensure effective work performance. The Company has also established policies to manage teamwork to ensure all departments are oriented towards the same goals.
- **Service Provision with ISO 9001:2015 standard:** The Company understands the importance of maintaining high work quality standards and has implemented a system to regularly check the quality of work in progress before delivering it to customers. Furthermore, the organization has a dedicated unit responsible for quality checking (Quality Control, Quality Assurance, and Quality System), to check the quality from the beginning of the drawing until the process before delivery to the customer. As evidenced by the number of former customers who have returned to use the Company's services, this strategy has increased customer satisfaction and reinforced long-term relationships.

- **The Company has received ISO 9001:2015 (MASCI) certification,** which includes quality control throughout the construction process, as well as the reduction of redundant processes. As a result, the company has a low defect correction rate. In 2018, the Company improved its quality management in accordance with ISO 9001:2015 (MASCI) quality management system, which covered construction services for factory buildings, warehouses buildings, and hospital buildings, enabling the Company to maintain control over work and evaluate operational performance across internal and external departments in an efficient and effective manner. The Company has provided rapid services by completing construction projects on time and meeting customer needs. In so doing the Company has created an efficient plan that includes the construction price estimation process, construction operation process, work delivery, and review and inspection against work regulations as well as customer needs. Furthermore, the Company provides consulting services and advice to customers ranging from project design and construction material selection to after-sales service after delivering works for customers in case of some problems that may arise.
- **Pre-Fabrication Engineering Utilization:** The Company has adopted pre-fabrication engineering for both pre-cast concrete and prefabricated steel structures. This has increased efficiency of work performance enabling the Company to manage time more efficiently thus delivering works to customers quickly, creating a safer working environment, and managing costs more efficiently. These factors continue to lower construction costs, which is one of the selling points for the Company when submitting bids and proposals to customers.
- **Efficient Procurement, Operation, and Resource Management System:** The Company has an efficient and transparent purchasing and procurement system that encourages competition among construction material suppliers and subcontractors to ensure that the Company's costs are reasonable. In this regard, the Company has improved its management system by implementing industry specific ERP (Enterprise Resource Planning) systems for construction to aid in project management from project bidding to project-completion evaluation.
- **Strategic Marketing and Public Relations:** The Company has established a marketing policy to retain existing customers while also expanding services to attract new customers, particularly those in potentially growing business sectors. Our team has established a marketing policy that takes into account good and

long-term relationships. Customer relationship management (CRM) is carefully planned to respond to various customer needs, such as obtaining feedback customer satisfaction with work quality. The Company is adamant that the quality of work is the key to success and customer trust. Past experiences have shown that the Company's efforts and outputs are well accepted and capable of generating customer satisfaction. Customers then continue to use the Company's services and recommend our services to other potential customers. As a result, the Company has more opportunities to broaden its scope of services to include middle and large-scale construction projects. Listing on the Stock Exchange is also one of the strategies that makes the Company and our works widely known, which is beneficial in attracting new customers.

## 2.2) Pricing Policy

In terms of pricing, the Company will study and analyze customer construction drawings and requirements, as well as conduct a field survey. After that, the Company will check construction material costs and request preliminary bids from subcontractors in each phase of the construction project to estimate the construction cost before collecting data and making quotation to customers (for more information, please refer to the section "Provision of products and services").

However, during periods of significant fluctuation in construction material prices, the Company will make a proposal to amend pricing or negotiate with customers to be responsible for purchasing construction materials in some projects, as appropriate. Nonetheless, the Company does not have a policy of engaging in a price war to secure a project. This is because our goal is to maintain quality of construction work in accordance with industry standards for the benefit of our customers' business operations. Pricing should be fair and appropriate to maintain long-term customer relationships. This improves the Company's long-term ability to operate its business.

## 2.3) Target Customers and Bidding Method

**Target Customers:** The majority of target customers are private-sector industrial factories, in which the Company has construction expertise. Due to the Company's successful track record and good customer relationships, the Company was able to expand its target markets to include other private sectors, such as high-rise residential buildings, office buildings, shopping malls, hospitals and for petrochemicals. The hospital sector, in particular, is an important target because the Company specializes in system works, which are critical components in the construction of hospital buildings.

The Company has a policy of expanding into different business sectors in response to the growth of the business sector and economic conditions.

**Bidding Method:** After receiving an invitation to bid or expressing an interest in bidding, the marketing department will contact customers directly. They will coordinate with customers regarding paperwork, obtaining bidding documents and construction drawings, and distribute them to the Company's engineering department for construction quantity and cost estimation.

A construction contract usually includes a predetermined progress timeline and payment schedule. Payment is normally made on an as-needed or monthly basis, depending on the progress of the work. Furthermore, the contract also requires the Company to prepare various types of guarantees for the duration of the project. When the Company submits a bid for a project, it is required to submit a bid bond along with other bidding documents. A typical bid bond is worth between THB 0.2 million and THB 5 million.

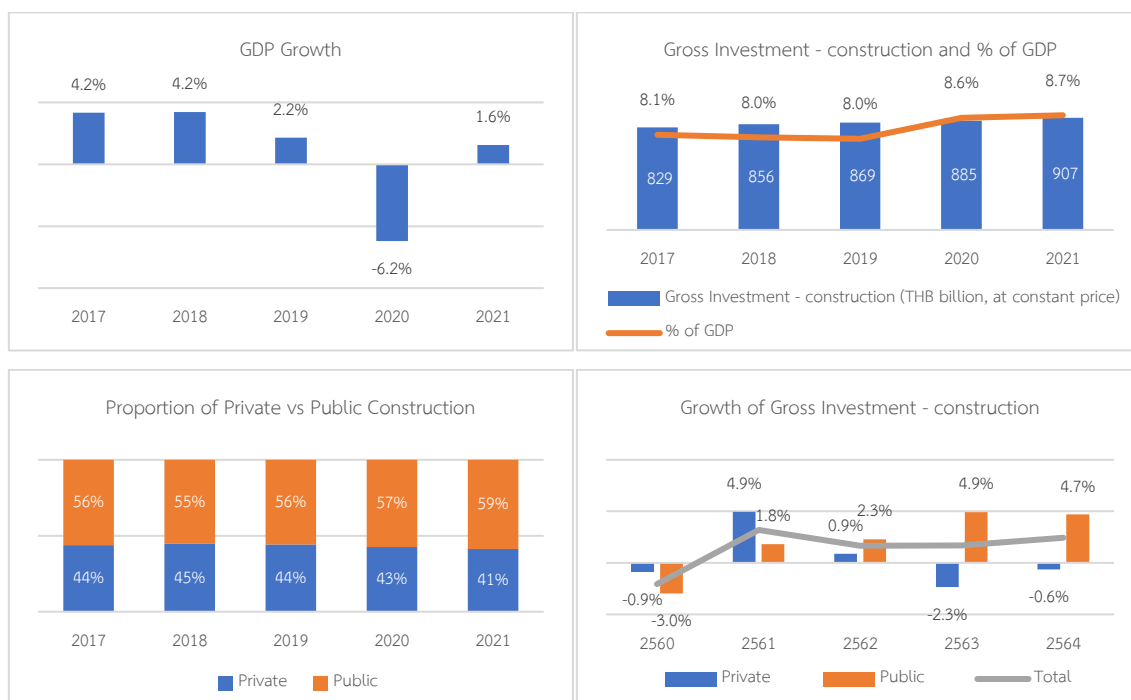
When the Company is chosen and the construction contract is signed, the Company must prepare a performance bond, which is typically worth around 10% of the contract amount. If the Company fails to meet its contractual obligations, the project owner is entitled to the aforementioned performance bond money. The bond will be returned once the project owner has confirmed project completion by issuing a notice of completion. Besides the performance bond, the project owner may request that the Company prepare an advance bond with a guaranteed limit of 10% of the contract amount. The project owner will make an advance payment to the Company for purchasing materials and equipment. In so doing, the owner will deduct money from the amount that the Company charges based on the progress of the work to compensate with the advance payment. The amount of advance payment will be gradually reduced over the course of the project.

Furthermore, according to general requirements, the project owner will request a retention bond with a guaranteed limit of 5% of the contract amount. The bond will be held by the project owner throughout the guarantee period, which usually lasts 12-24 months from the date of receiving a notice of completion.

#### **2.4) Industry Overview**

In 2021, gross domestic product (GDP) increased by 1.6%, a significant improvement from the 6.2% decline recorded in 2020 as a result of the strict COVID-19 lockdown measures, which slowed down economic activities. Despite the government's efforts to mitigate the effects, they were still unable to compensate for economic losses.

However, overall economic conditions began to improve in 2021 as a result of the government’s measures to reduce impacts and boost the economy. The distribution of vaccines to the majority of the population, as well as the private sector’s adaptation to operating their businesses appropriately and safely in the face of the COVID-19 pandemic situation, allowed economic activities to start returning to the pre-pandemic levels. In 2021, the values of exports and consumption in private sector, as well as overall investment, increased by 18.8%, 0.3% and 3.4% over the previous year, respectively.



Source: Report on economic conditions of the quarter 4/2021 prepared by Office of the National Economic and Social Development Council (NESDC) as of February 21, 2022.

In 2021, the overall construction industry grew by 2.4%, while the overall economy was still affected by the COVID-19 pandemic. As a result, the construction sector’s share of GDP increased to 8.7%. The growth of construction industry in 2021 was primarily driven by public-sector investments from both the government and state enterprises, particularly large-scale construction projects from the acceleration of the government’s budget disbursement and construction in the transportation service sector. As a result, the proportion of public-sector construction rose to 54% in 2021. Private-sector construction continued to fall in tandem with the slowing economy, owing in part to nationwide pandemic control measures and a drop in residential construction in the Greater Bangkok Metropolitan Area, as well as major provinces throughout the country. To maintain liquidity and cash flow, property developers slowed new projects in both the low-rise and condominium segments and focused

more on selling existing property in stock. At the same time, consumer purchasing power was severely reduce as a result of the economic downturn. Moreover, financial institutions were also more cautious in granting loans, despite the fact that interest rates were at historically low levels. However, non-residential construction in the private sector, including commercial building, transportation service, industrial factory construction and non-building structural construction, was still growing. In 2021, the construction activities in these segments grew by 3% over the same period of the previous year, resulting in better development in private-sector construction business in 2021, as evidenced by a lower percentage decline compared to the previous year.

## **2.5) Competitors and the Competition**

### **Competitive Environment**

Competition in the construction industry remained intense throughout 2021 despite a recovery in the construction of the industrial factory segment, which was the Company's primary target, while other private construction was still unable to recover as quickly. Furthermore, property development projects fell in lockstep with demand. Although public-construction continued to grow, particularly from large-scale construction projects as a result of the government's budget disbursement acceleration, competition remained high due to the large number of players in the industry, who competed fiercely for new projects based on their advantages in various aspects, such as price, past accomplishment, experiences, customer satisfaction, as well as financial positions and efficient cost management. Those who had a proven track record, a good reputation, and were well-known for their skills and on-time delivery will have an advantage. Furthermore, firms with strong financial positions and effective cost management system would be highly competitive because they were more flexible in acquiring new construction projects and had negotiating power with construction material suppliers.

### **Approximate Number of Competitors**

There are several construction companies in the country, about 20 of which have customers with similar profiles to the Company's. Furthermore, foreign construction firms are among competitors with a high level of competitiveness. Because Thai law prohibits foreign construction companies from participating in bidding processes for projects fully funded by the government, the majority of them are registered as joint ventures or consortiums with domestic construction companies. Therefore, Thai construction firms that form joint ventures or consortiums with foreign construction firms will benefit from their technical expertise, financial strength, and, in some cases,

bidding qualifications. Furthermore, experience in specific construction types is one of the criteria used to determine who is qualified to participate in bidding processes in some projects, particularly those of government agencies. The previously mentioned joint ventures or consortiums are regarded as significant competitors of the Company. Previously, the Company served as a subcontractor for joint ventures whose partners were foreign firms in private company's and foreign organization's construction projects in Thailand. This has aided the Company in developing a track record of international standard projects, which will allow the Company to expand its customer base in the future.

### **Status and Competitiveness**

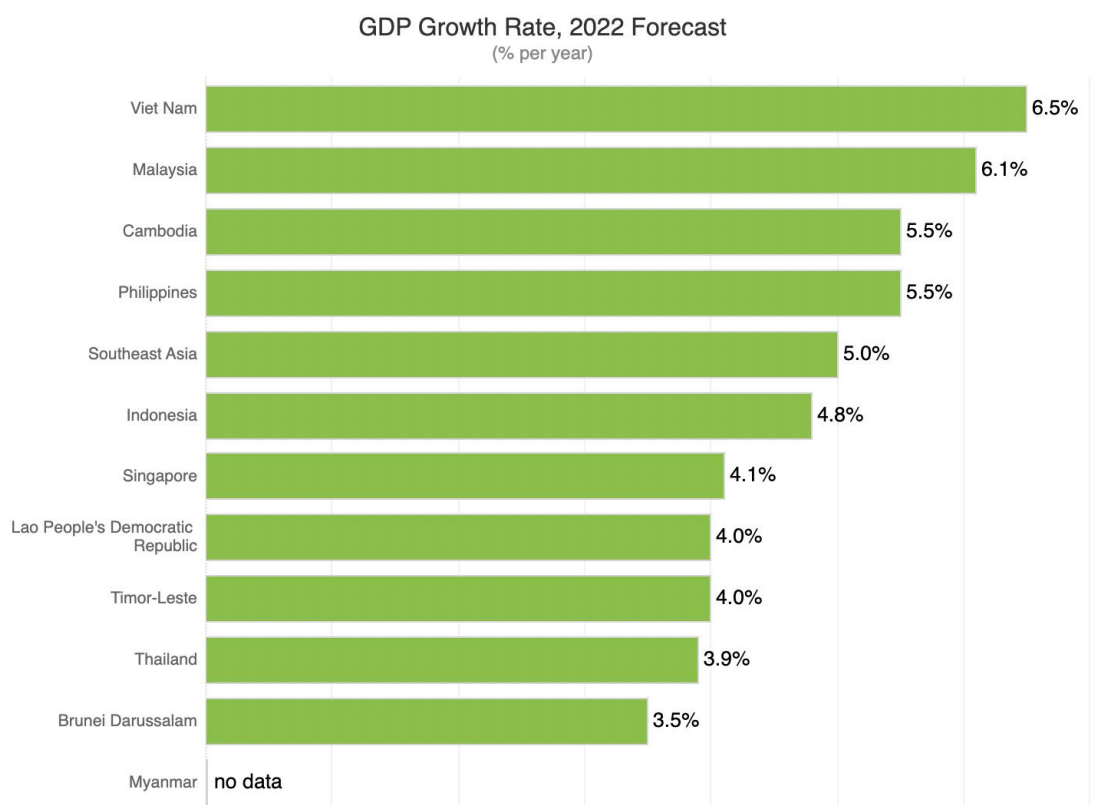
The Company is a medium-sized firm that specializes in the construction of industrial plants, steel superstructures, and hospitals. The company is well-known for its expertise in engineering system works and on-time project delivery. Furthermore, the Company has efficient cost management, which allows it to be advantageous in high competition by being flexible in taking on construction works and being able to negotiate with construction material suppliers for good price and commercial terms. These factors enable the Company to receive invitations to bid and to continue acquiring construction projects from both existing and new customers.

### **Industry and Competition Outlook**

In 2022, the construction contractor industry is expected to grow at an accelerated rate, in line with the overall construction investment value, which is expected to rise in tandem with domestic economic recovery. Key growth drivers are large-scale public investment projects and private-sector construction projects, aided by the construction of residences and other types of buildings. The current COVID-19 pandemic situations, which are still unresolved, may, however, have an impact on the estimation.

Furthermore, the Company has adjusted its business strategy to focus on neighboring ASEAN countries in addition to the domestic market. The ASEAN region's economy is still expanding rapidly. According to Asian Development Bank, the total growth rate of ASEAN member countries will be around 5% in 2022.





Source: Asian Development Bank. Asian Development Outlook Update (ADOU) 2021 (September 2021)

In the beginning of 2022, the Company was awarded the construction project XPPL Expansion Phase 1 by Xekong Power Plant Company Limited. It is a lump sum turnkey project to support the expansion of coal production capacity in Xekong Province, Lao People's Democratic Republic, from approximately 2.94 million tons per year to 15 million tons per year. The construction period of the project will last approximately 32 months.

### (3) Procurement of Products and Services

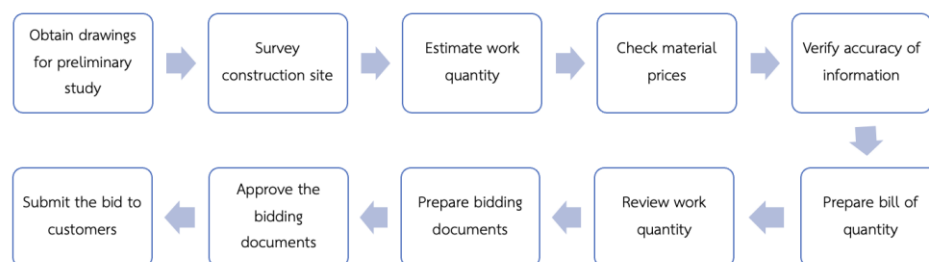
#### 3.1) Acquisition of Construction Projects

Currently, the Company serves as the primary contractor in nearly all projects. In the selection of a project, the Company will make a preliminary estimate and decide whether to participate in the bidding of the relevant project. Many factors will be considered, such as project owners, types and characteristics of works, project size, length of time, workforce readiness, current projects on hand, and fund availability. Before submitting a bid, the Company will send construction drawings and all project requirements that pass the preliminary screening to the engineering department to estimate construction costs.

### 3.2) Estimation for Bid Submission

Estimating the amount of work and construction costs in order to prepare bidding documents/proposals is part of this process. The estimation process is critical to the profitability of the Company. If the estimation team overestimates costs, the Company may not be awarded the project. However, if the cost estimates are too low, the construction projects may incur losses. As a result, the Company's estimation system and inspection procedures have to be meticulously planned.

The procedures for executing construction estimation and appraisal for bidding are as follows:

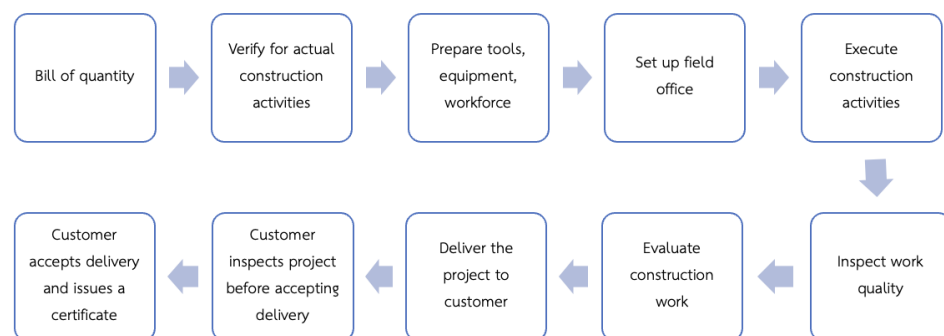


- Estimation of work quantity (Step 1-3):** After receiving construction drawings and requirements from customers, the engineering department will divide the construction project into small parts based on the scope of construction, including steel structure, reinforced concrete structure, architectural works, and system works, so that personnel in charge can estimate the amount of work and master plan, such as workforce, construction material, subcontractors and other necessary teams, to ensure that the construction is completed on time and in accordance with the specified conditions. The estimated amount of work and costs will be based primarily on site survey results and detailed instructions from customers.
- Price checking (Step 4):** After the engineering department has estimated the amount of work, the output will be delivered to the purchasing department. Then, the price of construction materials and equipment for subcontractors and other necessary teams will be checked from the approved supplier list, which has passed the Company's preliminary quality assessment.
- Inspection and preparation of bill of quantity (Step 5-7):** The engineering department will double-check the pricing before issuing a bill of quantity. The operations manager will review and re-check its accuracy a final time.

- **Preparation of bidding documents (Step 8):** The operations manager and marketing manager will collaborate to consider and set project profitability levels, as well as to prepare the bidding documents.
- **Approval and bidding submission (Step 9-10):** The bidding documents will be submitted to the Board of Directors for review and approval. Once they are approved, the marketing manager will then submit and propose them to customers.

### 3.3) Execution of Construction Work

After the Company is awarded a construction project from a customer, all construction-related documents, including bill of quantity, master plan, customer instructions and relevant documents, that have been preliminarily estimated in terms of the amount of work by the engineering department, will be sent to the project manager to execute the construction project. The construction execution procedure is depicted below:



- **Checking bill of quantity (Step 1-2):** After receiving the bill of quantity, master plan, customer instructions, and other related documents, the project manager will review them from the actual construction site. If any changes occur, the project manager will improve and correct them prior to preparing project management chart, workforce plan, tool utilization plan, construction material list for construction approval, payment plan, and other plans.
- **Preparation of tools, equipment and labors (Step 3):** When the work plans are completed, the project manager will distribute them to appropriate units. Engineers will also be assigned to the project to control and supervise the construction plan, with different authorities, duties and responsibilities based on their scopes of work, such as steel structural works, reinforced concrete structure works, architectural works and system works. In the case of day labor, the foreman will be in charge of preparing the workforce based on the work quantity identified by each unit's engineer head.

- **Preparation of safety and supporting facilities (Step 4):** In addition to construction work units, the Company's project management organization also includes a site administration unit in charge of providing a temporary office, as well as supporting facilities, such as water, electricity and communications. Furthermore, the office will in charge of construction site safety, as well as the effects on the surrounding area and the environment in accordance with the standards specified by customers and the Company.
- **Construction execution and Quality check (Step 5-7):** After the construction has begun, the quality control unit, which is a part of the project management organization, will inspect the construction at each stage. They are in charge of controlling and supervising construction work to ensure that standards and budget are met as specified by customers and the Company, and that procedures are followed in accordance with the ISO 9001:2015 standard.
- **Construction Inspections by customers (Step 8-9):** When the construction project is completed, the Company will prepare a certificate of completion and schedule an inspection with customers or their representatives. If there are any construction defects, the project manager will fix them. The corrected work will be inspected again by the quality control unit.
- **Customers' acceptance of construction works (Step 10):** After the defective construction work has been corrected to meet the customer's expectations, the customer will accept the work and issue a notice of completion to the Company. After completing the project, the Company will keep all important construction documents for one year.

#### 3.4) Construction Material Procurement and Suppliers

The Company will purchase all construction materials directly from local suppliers. The procurement policy for construction materials is transparent and in compliance to the ISO 9001:2015 standard. When the construction project begins, the project manager will coordinate with the purchasing department, which is based in the headquarter to purchase construction materials. After receiving the project manager's approved list of construction materials, the purchasing department will search for construction material from suppliers and propose them to the Managing Director<sup>2</sup> for approval.

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<sup>2</sup> The current management structure has been changed and the highest rank executive is the Chief Executive Officer.

The Company will only procure construction materials from suppliers on its approved supplier list. Construction material suppliers must receive at least an 80% rating for current suppliers and a 70% rating for new suppliers. Furthermore, the Company will evaluate new suppliers to include on the list every six months, and the suppliers on the list will be evaluated monthly. The following factors are taken into account when evaluating new and current suppliers.

Current suppliers	New suppliers
Product quality	Product's suitability to needs
On time delivery	Product price compared to that of current suppliers
Errors of product lists during the delivery	Payment conditions
Errors of product price	Readiness for product delivery

### 3.5) Subcontractor Procurement

Typically, the Company will be in charge of all major construction activities for the project, such as structural works and steel reinforced concrete. Other construction activities, such as system installation work, architectural work, and all other specialized works, will be completed by subcontractors. The engineering department will identify subcontractors and estimate the preliminary budget before beginning the construction project in order to prepare a bill of quantity. However, once construction begins, the project manager will be responsible for rechecking the readiness of subcontractors while keeping the contractual requirements in mind.

The Company has a subcontractor procurement policy similar to that of construction material suppliers. It must be transparent and meet the ISO 9001:2015 standard. The Company will only choose subcontractors from the lists it has reviewed. Subcontractors will be evaluated based on their work quality, on-time delivery, number of errors, and cost. Furthermore, subcontractors must have at least 75% rating to be on the list, and those on the lists will be evaluated on a monthly basis. Every six months, new subcontractors will be evaluated for inclusion on the list.

### 3.6) Construction Tools and Equipment Procurement

The Company has a storage center to facilitate the procurement and delivery of the Company's construction tools and equipment construction sites across the country.

However, if the Company requires construction tools and equipment with specific specifications in any of the projects for which the Company does not have, or if the construction site is located far from the Company's storage center, it will rent them from suppliers near the construction sites. The supplier must be chosen from the Company's approved lists. On-time and accurate-location delivery will be used to

evaluate suppliers. They must receive at least 80% rating to remain on the approved lists, which are reviewed monthly. Furthermore, new suppliers will be evaluated for inclusion on the lists every six months.

The Company has a policy in place to select equipment rental suppliers transparently and in accordance with the ISO 9001:2015 standard, similar to how subcontractors and construction material suppliers are chosen. However, the Company will purchase tools and equipment that will be used frequently.

#### **(4) Operating Assets**

Operating assets include land with buildings (2 units of 3-storey townhouse) and a plot of land in Chachoengsao Province. The total book value of the land and buildings is THB 13.97 million. Furthermore, there are also fixture, office equipment supplies, construction machinery and equipment, and motor vehicles with a book value of THB 6.24 million.

Please see details of operating assets in Attachment 4.

#### **Policy on Investment in Subsidiary and Associated Company**

As of December 31, 2021, the Company did not have any subsidiary company.

#### **(5) Undelivered Project**

There was one construction project in progress as of December 31, 2021, with a total value of THB 26.90 million. The project's unearned revenue was THB 8.41 million.

## **1.3 Shareholding Structure**

### **1.3.1 Shareholding Structure of the Group**

As of December 31, 2021, the Company did not have any subsidiary or associated company.

### **1.3.2 Companies with Persons who may have Conflicts of Interest Holding More Than 10% of Voting Rights in Subsidiaries or Associates**

-- None --

### **1.3.3 Relationship between the Major Shareholder and the Group**

The largest shareholder is the spouse of the Chief Executive Officer.

### 1.3.4 Shareholders

#### (1) Major Shareholders

Top 10 major shareholders as of December 31, 2021 are as follows.

Names	No. of shares	%
1. Ms. Panicha Dau	51,994,000,000	80.000
2. Thai NVDR Co., Ltd.	1,720,450,470	2.647
3. Mr. Adisorn J.Jitcharoenchai	1,200,000,000	1.846
4. Ms. Chanida Tung	861,767,300	1.326
5. Mr. Prasit Chongussayakul	602,011,652	0.926
6. Mr. Pornprom Promvanich	546,320,100	0.841
7. Miss Jerdnapang Thamchuanviriyia	472,550,000	0.727
8. Ms. Leena Rajitrattanaying	453,792,300	0.698
9. Mr. Kittichote Harituan	300,000,000	0.462
10. Ms. Thitima Thanakornyothin	300,000,000	0.462
Other shareholders	6,541,546,334	10.065
<b>Total</b>	<b>64,992,438,156</b>	<b>100.00</b>

Besides the largest shareholder, other shareholders on the above list are not considered Section 258 connected persons, or shareholders controlled by the same person.

#### (2) Information of Shareholders of Subsidiary Company that Operates the Core Business

As of December 31, 2021, the Company did not have any subsidiary company.

#### (3) Agreement among Major Shareholders

-- None --

## 1.4 Registered and Paid-up Capital

### 1.4.1 Registered Capital

As of December 31, 2021, the Company's registered and paid-up capital was THB 64,992,438,156, divided into 64,992,438,156 ordinary shares with a par value of THB 1 per share.

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

-- None --

## 1.5 Issuance of Other Securities

-- None --

## 1.6 Dividend Policy

The Company's dividend policy is to pay no less than 50% of net profit after taxes and legal reserves in dividends. The dividend payment amount is subject to change based on operating results, business expansion plans, liquidity, and any other future needs. The Board of Directors is authorized to consider the dividend payment and is required to do so in order to maximize shareholder benefits.



## 2. Risk Management

### 2.1 Risk Management Policy

The Company has developed a risk management policy to serve as guidelines and procedures for managing the organization's risks and opportunities, both internally and externally. This is to ensure that there is a surveillance, follow-up and evaluation system in place to prevent risks that may cause damage to the organization's products and services and negatively impact customer satisfaction.

The Company has procedures in place to identify, analyze and sequence risks by systematically assessing the likelihood of occurrence and the level of damage in the event that those situations occur. There is also management and administration plan to serve as guidelines for controlling, preventing, solving, and reducing risks and the likelihood of negative impacts in the future to be at an acceptable level. In addition, there will also be communications to the organization's employees to ensure that everyone is on the same page and acting in the same direction.

Process for risk management plan development consists of:

1. **Risk identification:** This step is concerned with identifying risks, exploring situations, factors or causes of risks, as well as the damage or impacts that may occur, in terms of risks towards the organization (business), risks towards stakeholders' needs, risks towards objectives and goals (KPI), and risks in work operation procedures.
2. **Risk analysis:** This step considers the frequency, damage, and importance of each situation; to what extent the frequency and damage are and how they differ from chance of occurrence and the following impacts. To make precise assessments of impacts, they must rely on past experiences, information, and vision.
3. **Risk estimation:** This step entails using the results of risk analysis to determine the level of damage and the priority of risks, which will serve as criteria for determining the need to manage risks.
4. **Risk management:** This step is concerned with determining methods or measures to manage recurring risks based on the recommendations of a working group or risk management committee. Methods used must be consistent with the policies and goals of the organization.

## 2.2 Risk Factors

### 2.2.1 Risk Factors Affecting the Company's Business Operations

#### (1) Risks from lacking prior experience in doing business in a foreign country

The Company's business direction has shifted to focus more on ASEAN neighboring countries. Because the Company has primarily operated in the domestic market, it has no prior experience in doing business in a foreign country. However, the Company has hired consultants from various fields to advise it on doing business in the country in which it operates. It has also established clear operating procedures and stringent control measures for critical processes.

#### (2) Risk from inconsistency in revenue and relying on a small number of projects to generate the majority of revenue

The Company's revenues are primarily from one-time projects and are dependent on the Company's ability to consistently win new projects and complete them on time. Revenues will be impacted if the Company is unable to acquire new construction projects.

Nonetheless, the Company has a policy in place to ensure revenue consistency by maintaining work quality in accordance with the standards and customer satisfactions. Customers will be more likely to trust the Company and award new projects in the future. Some projects are referred by existing customers who have used the Company's construction service in the past.

Moreover, the Company faces the risk of relying on a small number of construction projects to generate the majority of its revenues. This could have ramifications for the Company's long-term operation.

To manage the risk of revenue inconsistency and concentration, the Company has established the following policy to serve as risk management measures:

- i. The Company focuses on increasing efficiency in the management of construction projects and completing them on time and to the satisfaction of the project owners. Furthermore, these priorities are accompanied by cost controlling measures within the budget. The Company has also increased the efficiency of internal processes, such as price estimation, bidding, and marketing. As a result, the marketing team has been restructured to include engineers to improve competitiveness in new project acquisition.

- ii. The Company has a policy of maintaining good relationships with existing customers while also expanding its new customer base, with whom the Company has not worked to increase opportunities to acquire new projects in the future on a consistent basis. The Company has improved its presentation so that customers understand new service offerings and that both existing and new customers are satisfied.
- iii. The Company has a policy of consistently participating private sector bidding. This will be accomplished by concentrating on works within the Company's area of expertise, such as office buildings, hospitals, and factories.
- iv. The Company's main policy is to accept works in areas where it has knowledge and expertise, such as steel structural works and M&E installation. Simultaneously, the Company has developed the organization by expanding capabilities to other dimensions relevant to construction contractor works, such as road and building works.
- v. The Company has a policy of expanding its customer base to neighboring ASEAN countries in order to expand its customer base into a market with less competition than the Thai market. There will also be more opportunities to make higher profit.
- vi. The Company will investigate other potential business expansion opportunities, in addition to the construction and engineering, which is the Company's primary business. This will generate additional profit for the company.

### **(3) Risk from labor shortage and labor wages increase**

The construction contractor industry is heavily reliant on labor. Due to a large number of companies competing in the construction industry, the Company may be affected by a skilled labor shortage. Furthermore, labor wages tend to rise gradually in response to the Ministry of Labor's minimum wage policy. This will increase the Company's cost since labor wages are one of the most expensive components of the construction contracting business.

Nonetheless, the Company will continue to nurture employee relationships through team building activities and general improvement of employee quality of life to create a good working environment. In addition, the Company maintains good relations with skilled and specialized subcontractors to assist with the execution of the Company's projects. This will allow the Company to handle more work quantity and complete them on time, as well as control labor wage costs, which are the main costs of the Company.

**(4) Risk from volatility in prices of construction material**

The cost structure of the construction contractor business consists of construction material costs, such as metal, concrete, cement, labor wage and others while construction material cost will fluctuate in response to factors such as foreign exchange rate, commodity price (particularly the metals group) and fuel price. Changes in construction material costs are regarded as significant external factors over which the Company has no control. Nonetheless, the Company has a policy of reducing material price risk by cultivating good relationships with a large number of construction material suppliers across the country. This allows healthy competition among suppliers and the Company can maintain material costs at an appropriate level while also completing work on time.

**(5) Risk from dependent on key personnel**

The construction contractor industry relies heavily on the knowledge and abilities of key personnel, particularly project managers and project engineers who are in charge of completing construction projects. If the Company loses those personnel, the Company's operations may suffer.

Key personnel from the director level in operations departments, such as construction, engineering, and system work, as well as personnel in project manager level, have been working with the Company for a long time and have formed a strong bond with the Company. The Company also has measures in place to mitigate the risk of losing those employees, such as providing fair compensation and allowing them to participate in decision-making. Other fringe benefits, such as provident funds and healthcare benefits, are provided to executives and employees to compensate them for their commitment and dedication.

Moreover, the Company has increased the confidence in its operational capacity by adjusting its policy and strategies in line with economic conditions. These are done to mitigate impacts and reassure employee about the stability of their jobs and the capabilities of the Company's business operations. Furthermore, the Company has assisted employees in developing their skills and work abilities in a variety of dimensions by providing both internal and external training, as well as enhancing their opportunities for professional advancement.

**(6) Risk from not receiving payments from project owners**

The Company's revenues are mainly derived from construction contracts as a direct contractor with project owners. Typically, once the contract is signed, an advance payment of the percentage of the total construction amount defined in each contract is required

before construction can begin. The remainder of the additional construction costs will be paid in installment based on progress of construction work. As a result, the Company faces risks if project owners experience financial difficulties and are unable to pay for construction in accordance with the contract's progress. This will have an impact on the Company's operations. Since the Company is aware of these potential risks, only construction projects from financially sound project owners will be accepted.

**(7) Risk from exchange rate fluctuation**

The value of Thai Baht in relation to the US dollar affects the majority of the Company's revenue. This is because the Company's construction project in a neighboring country is denominated in US dollars. Furthermore, some operating costs are denominated in local currency of the country in which the Company operates. To mitigate the impact of this risk, the Company has a policy of managing its cost structure in a balanced way with its foreign currency revenues (Natural Hedge) and may consider additional financial instruments in the future, if necessary.

**(8) Risk from construction project delay**

A construction contract is typically a contract with a predetermined payment term with a fixed amount. The Company will generate a profit when its costs do not exceed the contract amount. If a construction project is delayed, the costs of labor and construction material may skyrocket, causing the project to lose money. Furthermore, the Company's construction contract specifies an exact operating timeline. If the Company is unable to deliver works on time, it may be required to compensate for any damage incurred, which may have an impact on the Company's operating performance. The Company is able to execute, complete and deliver works successfully in accordance with the agreement due to its policy of selecting projects and maintaining work quality at an appropriate level, as well as the quality engineering team and executives.

The Company is aware of the risks associated with project delay. As a result, the Company continues to review and control construction execution on a monthly basis to keep the project on track and avoid project delays.

**(9) Risk from lawsuit arisen from errors caused by a construction project**

If the Company's projects, such as the design, construction, or installation of facilities systems inside buildings or factories, including air-conditioning system, electricity system, and waste water treatment system, contain errors that cause damage and injury to third parties, the Company may be liable. However, the Company takes precautionary measures to carefully execute construction projects, such as maintaining a work quality assurance

system during the construction process and before delivering works to customers. A dedicated unit in the organization is established to check quality control, quality assurance and quality system in order to inspect the quality of work beginning with the design process to the process before work delivery. Furthermore, the Company has insurance to cover the aforementioned scenarios. This could help reduce financial impacts for the Company in case of a compensatory damage lawsuit, though the Company cannot guarantee that the insurance limit will be sufficient or cover lawsuit a compensatory damage lawsuit in all cases.

#### **(10) Risk from concentration of account receivable**

Accounts receivable in the construction contractor business are typically from large debtors, the value of which is determined by the size of bidding construction projects. To mitigate the risks associated with account receivable concentration, the Company's executives have established credit policies (granting credits for customers to make payment in installment). In addition, there will be ongoing reviews of potential damage as a result of the aforementioned risks. Accounts receivable payment terms are carefully specified in contracts with project owners for each project, and customer financial capabilities are assessed before accepting the project.

### **2.2.2 Investment Risks Affecting Securities Holders**

Risk factors that may affect investor return on investment are:

1. Overall economic conditions, conditions in related industries and the Company's performance are all important factors in determining whether investment returns are high or low.
2. Trading conditions on the Stock Exchange of Thailand and liquidity in trading the Company's securities determine whether shareholders can quickly convert securities in hand to cash.
3. Changes in interest rates in the financial market, interest rate fluctuations in the financial market will affect the rate of return that investors seek.
4. When inflation is high, the true rate of return will fall.
5. The Company has a large shareholder who owns 51,994,000,000 shares, accounting for 80% of all tradeable shares of the Company, which is greater than three-fourths of the total. This means that the large shareholder has the authority to control the Company and influence its decision-making in the shareholders meeting. As a result, other shareholders will face some risk of being out voted on certain issues which the largest shareholder and other shareholders may not agree on.

6. The risk that the Company will be unable to pay dividends in the near future due to accumulated loss. As of December 31, 2021, the Company had a cumulative loss of THB 1,574 million, rendering it unable to pay dividends to shareholders in accordance with the law. Shareholders run the risk of not receiving dividends in accordance with the specified dividend payment policy. However, once the capital increase process was completed in the fourth quarter of 2021, the Company's financial liquidity has significantly improved. Moreover, the new group of shareholders has brought in new business opportunities that will gradually improve the Company's financial outlook.

Nonetheless, shareholders must always be aware of the risks associated with investment, as there is no guarantee that stock investment will generate a high return. As a result, shareholders should choose investment options based on their risk tolerance level.

### **2.2.3 Risk from Investment in Foreign Securities**

-- None --

## 3. Driving Business towards Sustainability

### 3.1 Policy and Goal of Sustainability Management

The Company has made a commitment to conduct business in a way that promotes long-term growth and maximize shareholder returns. Simultaneously, the Company prioritizes creating benefits and treating all stakeholders fairly. The Company understands that to conduct construction business, it is necessary to interact with a wide range of stakeholders, particularly in terms of working environment and safety of employees, laborers and communities surrounding the construction site. There may also be environmental consequences and risks to life and property if there is a lack of caution and careful supervision of health and safety measures.

The Company has established clear goals for conducting business in order to ensure sustainable development in all aspects of work procedures. It is required to do so in accordance with the law and related rules and regulations. To achieve specified goals and strategies, the Company should operate with a vision that emphasizes transparency, dependability, responsibility, freedom and equality. Furthermore, continuous policy setting, follow-up and evaluation should occur in order to continue making improvements.

Sustainable business can be divided into 2 parts: (1) in-process activities: this involves cautious work execution and taking responsibility to implement the highest safety standards designed to prevent loss of life and property, to reduce impacts on the community and environment, and to create value for all stakeholders; and (2) off-process activities: activities which support both directly and indirectly, the community and society towards a better living environment and quality of life.

The report on sustainable development should be created and presented in the Annual Report (Form 56-1 One Report) to express the Company's intention to carry out work for sustainable growth. The sustainable development plan should focus on 3 areas, economy, society, and environment.

Unfortunately, during fiscal year 2021, the Company was focused on solving its liquidity issues. As a result, the Company was unable to create a comprehensive sustainable development plan. This will be one of the major improvements KPIs for the Company going forward.

### 3.2 Management of Impacts on Stakeholders in the Business Value Chain

#### 3.2.1 Business Value Chain

The Company has established standards of working and control centers with an emphasis on safety and efficiency, work procedures, service quality, as well as supervision and labor procurement and supporting services in various aspects. The goals are to create mutual value by delivering quality work that exceeds customer expectations.



To achieve these goals, the Company must collaborate with stakeholders along value chains to co-create values, which consists of:

### (1) Main activities

**Acquisition of production factors or In-bound logistics:** Labor, construction materials, machinery and equipment, and subcontractors are all important production factors (please see more details in 1.2.2 Product information, topic (3) Goods and services Procurement).

**Operations:** This is concerned with supervision and quality control of the construction activities both during the construction period and after completion, to ensure that works delivered to customers and construction period meet their needs and the specified plan. The Company may hire subcontractors and collaborate with project consultants in order to achieve goals and manage project costs efficiently while keeping safety and the impact on the environment and communities surrounding the construction area in mind.

**Distribution of products and services or Out-bound logistics:** Because the Company's business is construction in response to customer needs. As a result, the delivery of complete construction works is regarded as a step in the product and service distribution process. Typically, there is a procedure in place to check and confirm work as the project progresses to ensure on-time delivery and high quality.

**Marketing and Sales:** This includes soliciting works from existing customers, and delivering high-quality, on-time work that meet customer needs. Reputation, quality of work, and customer trust in the Company are all important factors in marketing and attracting customer in the future (Please see more details in 1.2.2 Product Information, topic (2) Marketing and competition).

**After-sale services:** Customers will provide notice of completion to the Company once they have confirmed the delivery of work. The Company will in turn provide guarantee of the work by resolving any problems after the delivery within a specified time frame.

### (2) Supporting activities:

In order to operate the construction business smoothly, it is critical to have efficient supporting activities, such as purchasing and procurement, provision of technology for the operations, human resources management, and other necessary infrastructures within the organization, including an accounting and financial system and a resources management system. These will make it easier for the main activities to proceed smoothly. The Company places a premium on investing in systems on a continuous basis to improve operational efficiency.

### 3.2.2 Stakeholder Analysis in the Business Value Chain

Stakeholder groups	Expectations from stakeholders	Response to stakeholders' expectations
Stakeholders inside the organization		
Employees	<ul style="list-style-type: none"> <li>- Appropriate compensations and fringe benefits</li> <li>- Safety and good working environment</li> <li>- Equality and professional advancement</li> </ul>	<ul style="list-style-type: none"> <li>- Paying compensation and fringe benefits at the same level as the market rate</li> <li>- Fairly evaluating work performance</li> <li>- Instilling culture of safety in the workplace</li> <li>- Regularly developing employees' capacity</li> <li>- Holding on to human rights principle</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>- Stable and sustainable growth</li> <li>- Good return on investment</li> <li>- Good corporate governance, risk management and inspection &amp; controlling system</li> <li>- Complete, correct, and up-to-date information</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- Having good, transparent and verifiable corporate governance policy</li> <li>- Having cautious and careful risk management system</li> <li>- Disclosing information to the public equally and transparently</li> <li>- Managing works taking into consideration the highest benefits for shareholders</li> <li>- Not seeking benefits for self and others by making use of any Company's information, which is not allowed to reveal to the public</li> <li>- Not doing and acting on anything that may incur conflicts of interest with the Company</li> </ul>
Stakeholders outside the organization		
Business partners	<ul style="list-style-type: none"> <li>- Equal and fair treatment of business partners</li> <li>- Strictly abide by the agreed commercial conditions</li> <li>- Good long-term relationship</li> </ul>	<ul style="list-style-type: none"> <li>- Having a transparent supplier selection process in place, providing equal opportunities for all suppliers to participate in offering their products/services.</li> <li>- Preparing appropriate form of business contract, as well as commercial terms and conditions.</li> <li>- Making payment for products/services on time.</li> <li>- Aiming to collaborate with business partners, to maintain good relationships, and to clearly specify objectives regarding product quality/value-for-money services.</li> <li>- Establishing a policy against dishonesty and corruption, as well as reinforcing actions to strictly adhere to it.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Strictly abide by the contractual obligations.</li> </ul>	<ul style="list-style-type: none"> <li>- Having a quality assurance system in place in accordance with the ISO 9001:2015 standard to ensure that the projects meet customers'</li> </ul>

	<ul style="list-style-type: none"> <li>- Having job understandings, the flexibility to collaborate, and a service mindset to quickly solving problems.</li> <li>- Accepting the delivery of high-quality project within the specified timeframe and budget.</li> <li>- Providing a suitable performance guarantee.</li> <li>- Having good and long-term relationships.</li> </ul>	<ul style="list-style-type: none"> <li>requirements and are delivered on time and within budgets.</li> <li>- Strictly abide by the contractual obligations.</li> <li>- Establishing a policy against dishonesty and corruption, as well as reinforcing actions to strictly adhere to it.</li> <li>- Being committed to maintaining good relationships and defining clear goals in terms of quality products/value-for-money services.</li> </ul>
<p>Community</p>	<ul style="list-style-type: none"> <li>- Taking precautions to reduce pollution caused by construction activities to reduce the impact on community, society, and the environment.</li> <li>- Carrying out construction activities in a safe manner.</li> <li>- Utilizing resources efficiently.</li> </ul>	<ul style="list-style-type: none"> <li>- Setting construction policies that consider the impacts on the community, society, and the environment, as well as strictly adhering to applicable laws.</li> <li>- Having safety precautions in place for construction workers to strictly adhere to and follow.</li> <li>- Having a mechanism in place to control pollution and waste emissions to meet the standards.</li> <li>- Supporting creative activities for the community, society, and the environment on a consistent basis.</li> <li>- Listening to opinions and suggestions of the communities surrounding the construction site to identify ways to mitigate potential impacts and resolve complaints as soon as possible.</li> </ul>

### 3.3 Environmental Sustainability Management

#### 3.3.1 Environmental Policy and Practices

The Company encourages employees to use resources in an efficient and beneficial manner. There is a resource conservation campaign in the workplace by establishing a system to control energy utilization to prevent waste and instilling awareness among employees in the organization to be constantly involved in energy conservation in all aspects. It encourages the organization to use LED lights for energy savings, to car pool when traveling in the same route, to turn off taps every time after use, to use two sides of paper for internal use documents, and to adopt information technology systems to reduce the use of paper and become a paperless office in the future.

Moreover, the Company has carried out the construction activities while considering environmental impacts and providing support to stakeholders in order to sustainably preserve nature and the environment. The goals are to maintain a balance between economic growth and environment impact in relation to construction activities, as well as to strictly control the activities that must be carried out in accordance with applicable laws.

### **3.3.2 Results of Environmental Sustainability Management**

#### **(1) Energy management**

The company is committed to energy efficiency. Lighting and air conditioning systems, as well as related electrical system control equipment, must be checked and maintained on a regular basis. The Company's headquarter was relocated in 2021 and it saved approximately 71,000 baht, or about 19%, on electricity consumption compared to the previous year.

#### **(2) Water management**

The company regularly maintains and inspects the condition of the water supply system inside the Company's headquarter. The Company's office rental expenses in 2020 included water and utility in a single monthly payment. The Company relocated the headquarter to the current location in 2021. As a result, water bills could not be compared to those from the previous year.

#### **(3) Greenhouse gas management**

The Company was in the process of resolving liquidity issues in its business operations in 2021. As a result, greenhouse gas reduction was not prioritized in the Company's business operations.

## **3.4 Social Sustainability Management**

### **3.4.1 Social Policy and Practices**

The Board of directors understands the importance of conducting business in a socially responsible manner to achieve sustainable growth. The Company aims to conduct business with virtue, integrity, and ethics, and it hopes that its socially responsible operations will benefit both the public and the Company's growth. The Company's social responsibility policy is divided into 7 categories as follows.

**(1) Fair business conduct**

The Company strives to conduct business based on business ethics, laws, and equal commercial competition principles. This includes objecting to any behaviors that obstruct fair competition, such as seeking confidential information from competitors, requesting, accepting, and allowing any benefits from dishonesty and setting artificially lower prices to eliminate competitors in the market. Moreover, the Company respects the intellectual property rights of others by establishing policies to ensure that personnel do and act in accordance with intellectual property laws or regulations, such as using legally licensed software. There are also campaigns to improve and instill social responsibility in all levels of the Company's personnel.

**(2) Human rights observance**

The Company has policy of supporting and respecting human rights by treating all related persons equally in terms of rights and freedom, and fair treatment for all regardless of their nationality, religion, language, skin color, gender, age, education, physical condition, or social status. The Company also supervises to ensure that the Company's business does not involve violations of human rights, such as the use of child labor and gender harassment. Furthermore, the Company has been cautious to follow human rights regulations, encouraging participation to freely express opinions and providing channels for making complaints for those who have been affected by rights violations as a result of the Company's business operations.

**(3) Fair treatment of labor**

The Company understands the importance of human resource development and fair treatment of labor, who are the backbone of the business and reinforce competitive abilities, as well as the Company's long-term growth. The following policies and practices have been established by the Company.

1. To respect the rights of employees in accordance with human rights and labor law.
2. To create a fair employee recruitment process, fair employment terms and conditions, as well as a fair compensation and performance evaluation process.
3. Improvement of personnel development by providing training, seminars, and workshops to develop knowledge, abilities, and capacity, as well as to instill in employees good attitudes, morality, virtues, ethics and teamwork.
4. To provide fringe benefits for employees in accordance with laws, such as social security, and beyond the scope of law, such as health insurance and accident insurance, as well as financial aids for employees, such as scholarships for employee families and funeral budget assistance.

5. To put a plan in place to ensure that employees are safe at work and that the workplace is clean by establishing accident preventive measures, increasing employee safety awareness, and providing training and assistance for staff to maintain good sanitation and safety.
6. To provide employees with opportunities to express their opinions or file complaints about unfair treatment or wrongdoing in the workplace, as well as to protect employees who report such issues.

#### **(4) Anti-corruption**

The Company conducts business based on transparency, ethics, good corporate governance, and practices in accordance with anti-corruption or anti-bribery laws applicable to officials in both the public and private sectors. It has established an organizational structure that clearly divides roles and responsibilities, work procedures, and chain of command in each work unit to ensure appropriate balance of power. Moreover, the Company has established the following practice guidelines for its Board of directors, executives and employees:

1. The Board of directors, executives and employees of the Company are prohibited from directly or indirectly carrying out or accepting any form of corruption. This should include all pertinent work units. To ensure compliance with the anti-corruption policy, business practices must be examined on a regular basis.
2. The Board of directors, executives and employees of the Company are required to report any corruption-related practices relevant to the Company to their superiors or responsible persons and to cooperate in investigation of facts.
3. The Company will treat and protect those who report corruption issues fairly, as well as those who cooperate in reporting and investigating corruption.
4. The Company's Board of directors and management team will serve as anti-corruption role models. They are responsible for supporting and reinforcing anti-corruption policies, as well as communicating them to employees and other stakeholders. This also includes assessing the appropriateness of policies and measures in light of changes in business conditions, rules and regulations, and legal requirements.
5. Corrupt individual must receive justification for penalty in disciplinary actions conducted in accordance with the Company's rules and regulations, and they may face legal consequences if their practices are illegal.

6. The Company will organize training and knowledge dissemination for the Company's Board of directors, executives, and employees in order to make them understand anti-corruption practices and to reinforce virtues, honesty, responsibility and one's roles and responsibilities.
7. The Company will assist contract counter-parties, business partners, or other persons who must perform duties relevant to the Company in reporting anti-corruption policy violations.
8. The Company will establish policies for personnel recruitment, promotion, training, performance evaluation and compensation for the Company's staff and employees in a fair and sufficient manner in order to prevent corruptive actions within the organization and to serve as securities for the Company's staff and employees.
9. In order to take clear actions and practices in relation to the following issues, which are vulnerable to high risk of corruption, the Company's Board of directors, executives and employees must perform their duties with care and precision.
  - i. The giving or receiving of gifts must be transparent, legal, and of appropriate value in accordance with typical business traditions or convention.
  - ii. The provision or receipt of donation or financial aid must be transparent and legal, and cannot be construed as a cover for bribery.
  - iii. Business execution, contracts, bidding negotiations and other practices with external entities in both the public and private sectors must be transparent and legally compliant. Furthermore, bribes must not be given or received by the Company's Board of directors, executives, staff, and employees at any stage of business operations.

Furthermore, the Company intends to participate in Thailand's private sector's collective anti-corruption campaign to combat any corruptive and dishonest practices in society.

#### **(5) Responsibilities towards customers**

The Company is committed to improving service quality for customer satisfaction and serving customers as follows:

1. The Company will adhere to a fair marketing policy that allows customers to receive accurate information about the Company's services without distortion, ambiguity, or exaggeration so that customers have accurate and sufficient information for decision-making.
2. The Company considers customer safety and is committed to providing quality and safe services to customers in accordance with international standards, and safety regulations, and laws. The effort also includes constantly designing, creating, and developing services to improve quality and safety.

3. The Company has established a customer relationship system to efficiently communicate with customers, as well as receive complaints about service quality through the Company's website in order to respond to customer needs quickly.
4. The Company will keep customer information confidential and will not misuse it.
5. The Company will plan activities to foster long-term relationships between customers and the Company.

#### **(6) Environmental preservation**

The Company values social responsibility in environmental preservation, particularly resource utilization. There is a policy in place to reuse and recycle construction leftovers. The Company also follows environmental impact assessment report guidelines to reduce environmental impacts, and strictly manages and controls its business operations in accordance with applicable laws.

#### **(7) Participation in community and society development**

The Company recognizes its societal and community responsibilities. As a result, it has policy to help and develop society, primarily through donation and education support, as well as participation in various activities for surrounding communities in the areas where the Company conducts businesses as appropriate. The Company also responds quickly and efficiently to situations that have an impact on the community, society, and the environment as a result of the Company's business operations. In addition, employees are encouraged to be more conscious of their impacts on the surrounding environment.

### **3.4.2 Results of Social Sustainability Management**

Because the Company was in the process of resolving liquidity issues in business operations in 2021, social sustainability management results were unavailable.



## 4. Management Discussion and Analysis

### 4.1 Business Operation Overview

From 2020 to 2021, the Company recognized that the Covid-19 pandemic situation would not be resolved quickly and its plan to acquire new industrial factory construction projects appeared to have slowed. As a result, the Company's revenues did not meet the target, and the Company attempted to solve the problem by implementing an organization restructure program to reduce the number of employees to match the quantity work and the economic situation. In addition, the corporate headquarter was relocated to reduce fixed costs and other operational expenses as the company sought additional funding from financial institutions and other sources.

In 2021, recovery was slow due to the continued spread of COVID-19. Due to epidemic control measures, many business operations were strictly limited for many months, resulting in a slowdown in the construction industry. Operations were allowed to resume in the fourth quarter of 2021 after strict measures were relaxed. Although operations were resumed the Company was unable to participate in new project bidding, resulting in a significant drop in operating results.

The Company acquired only one new project worth THB 26.90 million in 2021.

### 4.2 Operating Performance

(unit: THB million)

	Separate Financial Statements					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
<b>Revenues</b>						
Revenue from construction	18.49	41.48	60.81	75.73	299.18	93.65
Other revenues	26.09	58.52	19.49	24.27	20.27	6.35
<b>Total revenues</b>	<b>44.58</b>	<b>100</b>	<b>80.30</b>	<b>100.00</b>	<b>319.45</b>	<b>100.00</b>
<b>Costs and expenses</b>						
Cost of construction	(20.03)	(44.93)	(52.28)	(65.11)	(288.39)	(90.28)
Administrative expenses	(84.66)	(189.91)	(110.33)	(137.41)	(104.07)	(32.58)
Reversal from termination of construction contract	0.00	0.00	-	-	70.73	22.14
Reversal of allowance for doubtful accounts	0.00	0.00	1.03	1.28	12.36	3.87
Reversal of provisions for loss on litigations	0.00	0.00	31.25	38.92	(100.55)	(31.48)
Other gains	0.00	0.00	2.07	2.58	1.84	0.57
<b>Loss before financial costs and income tax</b>	<b>(60.11)</b>	<b>(134.85)</b>	<b>(47.96)</b>	<b>(59.73)</b>	<b>(88.64)</b>	<b>-27.75</b>

	Separate Financial Statements					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Financial costs	(1.73)	(3.89)	(0.41)	(0.51)	(2.45)	(0.77)
Reversal of impairment loss determined in accordance with TFRS9	0.04	0.10	25.69	32.00	-	-
Income tax	(1.33)	(2.97)	0.00	0.00	0.08	0.03
<b>Loss for the period</b>	<b>(63.13)</b>	<b>(141.61)</b>	<b>(22.67)</b>	<b>(28.23)</b>	<b>(91.01)</b>	<b>(28.49)</b>
<b>Total comprehensive loss for the year</b>	<b>(43.29)</b>	<b>(97.11)</b>	<b>(19.19)</b>	<b>(23.90)</b>	<b>(97.22)</b>	<b>(30.43)</b>
<b>Net loss per share (THB)</b>	<b>(0.0030)</b>		<b>(0.0021)</b>		<b>(0.0090)</b>	

The Company recorded THB 18.49 million in revenue from construction contracts and a gross loss of THB 1.54 million. For fiscal year 2021, total revenues were THB 44.58 million, with a net loss of THB 63.13 million. THB 43.29 million was the total comprehensive loss for the year.

- **Revenues**

The Company's total revenue in 2021 and 2020 were 44.58 million baht and 80.30 million baht, respectively. In 2021, total revenue consisted of THB 18.49 million in construction revenue and THB 26.09 million in other income, and in 2020 it comprised THB 60.81 million in construction revenue and THB 19.49 million in other income. Moreover, total revenue from construction decreased by THB 42.32 million, or 69.59% from the previous year because the Company had only one construction project in 2021, which was a medium-sized project that was expected to complete in 2022.

The spread of Covid-19 continued well into 2021, delaying bidding for new projects indefinitely. Furthermore, the government issued a measure to halt activities in the construction industry in the middle of last year. The project owner followed the government's directive and closed down the construction site. As a result, the Company's revenue from construction fell short of the target.

Other revenues totaled THB 26.09 million, up THB 6.60 million or 33.86% from the previous year, owing to asset revaluation gains of THB 6.63 million.

- **Cost of construction and gross profit**

Construction costs in 2021 and 2020 were THB 20.03 million, and THB 52.28 million, respectively, representing a decrease of THB 32.25 million, or 61.68% from the previous year, in proportion to the construction projects completed during the year. Due to the temporary suspension of construction activities by the project owner in response to the government's directive, the Company incurred higher costs after construction activities were resumed and completed.

- **Operating and administrative expenses**

Administrative expenses for 2021 and 2020 totaled THB 84.66 million and THB 110.33 million, respectively, a decrease of THB 25.67 million, or 23.26% from the previous year, due primarily to an organization restructuring exercise that occurred in early 2021 and the relocation of the head office to the current location, as well as stringent expense control in response to lower revenue and deteriorating economic conditions during the COVID-19 epidemic. The decline was partially offset by advisory fees associated with the Company's newly issued shares being privately placed to a new group of shareholders. Furthermore, there was only one case of bad debt write-offs, with a total amount of THB 0.06 million.

- **Financial costs**

Financial costs for the fiscal years ended December 31, 2021 and 2020 totaled THB 1.73 million and THB 0.41 million, respectively, up from THB 1.33 million in the previous year due to interest on short-term loans from financial institutions and fees on retention bonds issued to project owners.

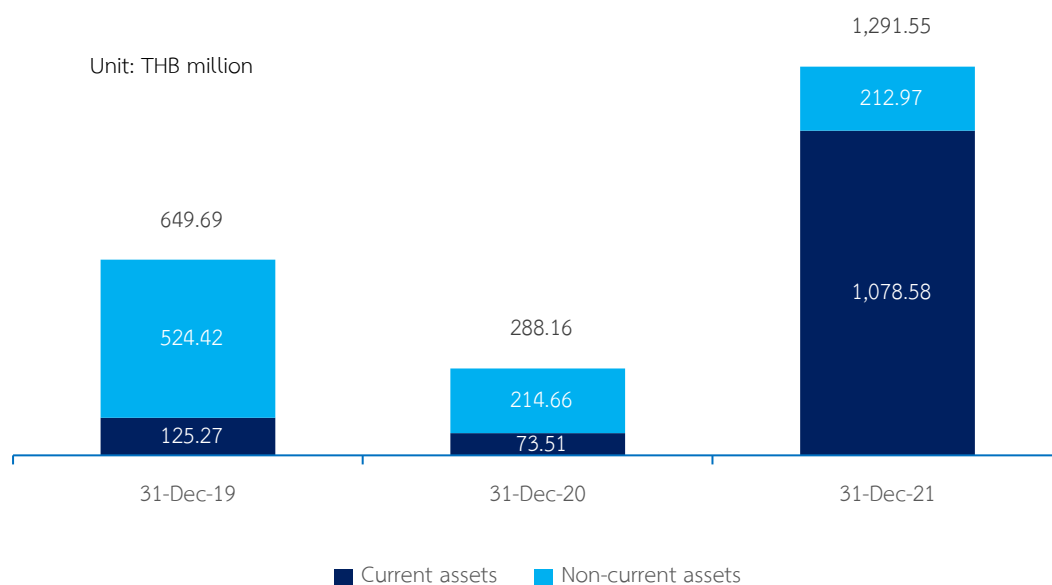
- **2021 Operating Results**

In 2021, the Company's net loss for the year totaled THB 63.13 million, an increase of THB 40.46 million, or 178.46%, from the previous year due to a decrease in work quantity and revenues, which rendered the Company unable to make profits. Nonetheless, the Company attempted to cut costs and keep construction costs within budget.

Nonetheless, the Company continued to face capital and liquidity issues, both of which were critical in the construction industry. Furthermore, due to Covid-19 pandemic, the Company was unable to acquire additional projects as planned.

### 4.3 Financial Position

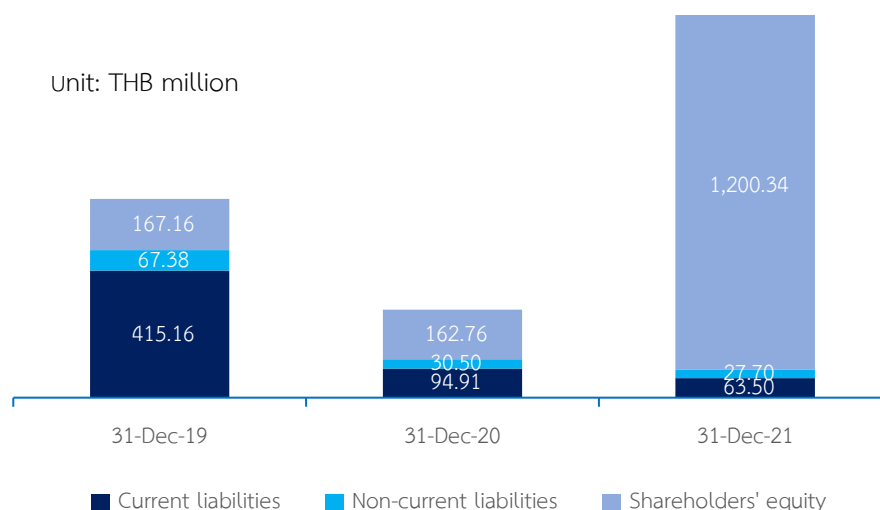
As of December 31, 2021, the Company's total assets, total liabilities, and total shareholders' equity were THB 1,291.55 million, THB 91.21 million, and THB 1,200.34 million, respectively.



#### ● Assets

The Company's total assets for the fiscal year ended 2021 were THB 1,291.55 million, consisting of total current assets of THB 1,078.58 million and non-current assets of THB 212.97 million. Total assets increased by THB 1,003.38 million, or 348.20%, from the previous year for the following reasons:

- i. Increase in bank deposit in the amount of THB 1,042.02 million from the proceeds from the private placement of the Company's newly issued shares to a new group of shareholders in October 2021, and
- ii. Decline in trade accounts receivable and performance guarantee receivable of THB 33.51 million as a result of cash collection from the debtors.



- **Liabilities and Shareholders' Equity**

#### Liabilities

As of December 31, 2021, total liabilities were THB 91.21 million, consisting of total current liabilities of THB 63.50 million and total non-current liabilities of THB 27.71 million. Total liabilities decreased by THB 31.41 million, or 33.10% from the previous year, owing to decreases in trade and other current payables of THB 19.65 million, current retention payables of THB 10.76 million, and debt settlement and other current liabilities of THB 1.74 million.

#### Source of Fund

On October 12, 2021, the Extraordinary Meeting of Shareholders approved the sale of 54,044 million newly issued ordinary shares of the Company to a new group of shareholders through a private placement process at a price of THB 0.02 per share to raise THB 1,080.88 million new capital. On October 26, 2021, the Company received the full payment for the capital increase.

As a result, the Company's sources of fund in 2021 were the proceeds from the capital increase through the private placement process as mentioned above, cash received after completion of a project, THB 11.10 million cash received from lawsuits and the expiration of performance guarantee bond.

#### Shareholders' Equity

As of December 31, 2021, the Company had shareholders' equity of THB 1,200.34 million, an increase of THB 1,037.59 million from the previous year, due to the THB 1,080.88 million capital increase, which was partially offset by net loss for the years of THB 63.13 million. Total other comprehensive profits for the years amounted to THB 19.83 million.

### Key Financial Ratios

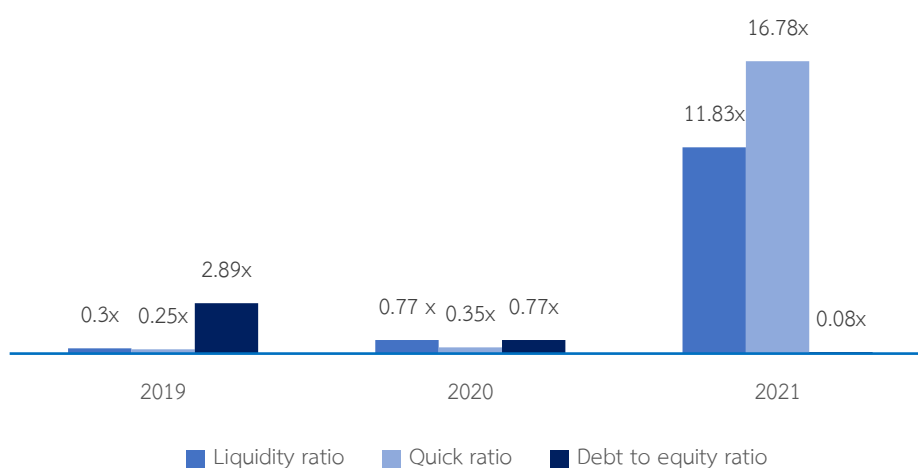
		2021	2020	2019
Liquidity ratio	times	11.83	0.77	0.30
Quick ratio	times	16.78	0.35	0.25
Debt to Equity ratio	times	0.08	0.77	2.89
Gross profit (loss) margin	%	(8.32)	14.03	3.61
Net profit (loss) margin	%	(141.60)	(28.23)	(28.49)
Returns on assets	%	(7.61)	(4.75)	(11.81)
Returns on equity	%	(9.26)	(13.74)	(42.18)

#### Liquidity Ratio

The liquidity ratio in 2021 was 11.83 times, while the quick ratio was 16.78 times. The liquidity ratio improved significantly from 2020 because of the proceeds from the THB 1,080.88 million capital increase via a private placement process, ensuring that the Company has sufficient working capital for at least 12 months from December 31, 2021.

#### Debt to Equity Ratio

In 2021, the debt to equity ratio was 0.08 times, down from 0.77 times the previous year. This was because the Company completed the capital increase process in the fourth quarter of 2021, significantly improving the ratio.



- **Asset Quality**

Trade Receivables

The Company's trade receivables organized by aging status are as follows:

unit : THB million

Account Receivable Aging	Separate Financial Statements					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Undue	-		5.95	3.95	-	-
Less than 3 months overdue	-		-	-	-	-
More than 3 but less than 6 months overdue	-		-	-	-	-
More than 6 but less than 12 months overdue	-		-	-	-	-
More than 12 months overdue	144.53	100.00	144.53	96.05	157.84	100.00
<b>Total</b>	<b>144.53</b>	<b>100.00</b>	<b>150.48</b>	<b>100.00</b>	<b>157.84</b>	<b>100.00</b>
Provision for doubtful debts	(144.53)	(100.00)	(144.53)	(96.05)	(147.85)	81.73
<b>Total trade receivables, net</b>	<b>-</b>	<b>-</b>	<b>5.95</b>	<b>3.95</b>	<b>9.99</b>	<b>18.27</b>

The amount of the Company's trade receivables that exceeded 12 months was THB 144.53 million. In 2020, the Company adopted the new accounting standard (TFRS 9) for the first time. It had fully provisioned for the expected credit losses, so there was no impact on undue trade receivables.

Factors affecting Future Operating Results

In 2021, construction investment from both the public and private sectors was expected to grow. Accelerating public sector infrastructure investment would spur private-sector investment growth. Furthermore, the Company was able to obtain new projects as the economy gradually recovered following the peak of Covid-19 pandemic situation.

Moreover, the Company continued to operate a construction contractor business and planned to expand into neighboring ASEAN countries where competition was not as fierce as in the domestic market. This could lead to new business opportunities and higher profit margins for the Company. Moreover, the Company was interested in bidding on larger-scale projects due to its larger capital base, as well as expertise gained through years of experience in the industry.

On January 12, 2022, the Company made an announcement via the Stocks Exchange of Thailand that it had been awarded a construction project valued at USD 263.96 million, or THB 8,895.30 million. The project would take about 32 months to complete, and the Company was in the process of negotiating a contract with the project owner.

### Obligations

As of December 31, 2021, the Company had the following obligations:

- Letters of guarantee issued in the name of the Company by financial institutions in relation to normal business operations totaling THB 16.19 million, which were guaranteed by the Company's bank deposits.
- On December 31, 2021, the Company entered into an office space rental agreement in the amount of THB 35.13 million.
- The Company has made commitments regarding rental service agreements for office equipment, photocopier, and land lease agreements totaling THB 0.23 million for the storage of construction tool and equipment.

### Cash Flows Analysis

The Company had THB 1,061.09 million in cash and cash equivalents as of the end of 2021.

In 2021, the Company spent THB 48.44 million in net cash flows used in operating activities, THB 73.92 million in cash flows used in operations, and THB 0.50 million cash paid for income tax. The Company received THB 25.72 million in cash from an income tax refund, and THB 0.26 million in cash from interest income

Net cash flows provided by investing activities totaled THB 11.50 million in 2021, with THB 14.86 million coming from proceeds from the disposal of financial assets required to be measured at fair value through other comprehensive income, offset by THB 14.86 million payment for equipment purchase.

In 2021, net cash flows provided by financing activities totaled THB 1,078.96 million, primarily from the THB 1,080.88 million proceeds from capital increase, offset by the THB 0.87 million repayment of lease liabilities and interests and the THB 1.05 million payment for interest expenses as a result of a long-term borrowing with a credit line of THB 30 million secured from a financial institution on March 31, 2021 to improve the Company's liquidity. Furthermore, the Company fully repaid a long-term loan to a financial institution in December 2021.

### Auditor's Fees

For 2021, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. was appointed as the Company's auditor. The audit fees and other expenses totaled THB 3,005,000 and THB 17,474, respectively.



## 5. General Information and Other Significant Information

### 5.1 General Information

#### 1. Company Information (as of December 31, 2021)

Company name	PSG Corporation Public Company Limited
Nature of business	Construction contractor
Head office location	242, 244 Krung Thonburi Road, Khlong Ton Sai, Khlong San, Bangkok 10600
Registration number	0107548000501
Registered capital	THB 64,992,438,156.00, with a par value of THB 1.00 per share
Paid-up capital	THB 64,992,438,156.00, with a par value of THB 1.00 per share
Total number of shares	64,992,438,156 shares
Website	<a href="http://www.psgcorp.co.th">www.psgcorp.co.th</a>
Telephone number	+66 2018 7190 – 8
Fax number	+66 2018 7199
Company secretary	Tel: +66 2018 7190 – 8 Fax: +66 2018 7199 Email: <a href="mailto:secretary@psgcorp.co.th">secretary@psgcorp.co.th</a>
Investor relations	Tel: +66 2018 7190 – 8 Fax: +66 2018 7199 Email: <a href="mailto:ir@psgcorp.co.th">ir@psgcorp.co.th</a>

#### 2. Name and Location of a company in which the Company holds at least 10% of total paid-up capital.

As of December 31, 2021, the Company did not have any subsidiary company.

### 3. References

Securities Registrar	Thailand Securities Depository Co., Ltd. No. 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: +66 2009 9000 Fax: +66 2009 9991
Auditor's Office	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. AIA Sathorn Tower, 23rd – 27th Fl., No. 11/1 South Sathon Road, Yannawa, Sathon, Bangkok 10120 Tel: +66 2034 0000 Fax: +66 2034 0100

## 5.2 Other Significant Information

-- None --

## 5.3 Legal Disputes

- (1) On July 24, 2012, the Company sued a company (the “Contractor”) for breach of the construction contract in the amount of Baht 100.23 million and such company sued counterclaim the Company in the same lawsuit in amount of Baht 281.02 million. However, as the Company has disclosed information to the Electronic Listed Companies Information Disclosure (ELCID). The Supreme Court has made the final judgment. The Contractor has to pay the Company to net of Baht 65.01 million with interest since the next date of prosecution until payment completion and the Contractor has to return the letter of guarantee (contract collateral) and the letter for advance receipt guarantee in total of 4 copies to the Company.

Moreover, during 2017, the bank which issued letters of guarantee to such contractor on behalf of the Company deducted the Company's deposit at bank of Baht 12.31 million which consist of payment of letter of guarantee fee by Baht 7.52 million and payment of the obligations for letters of guarantee by Baht 4.79 million. However, the Company believes that the bank had no rights to deduct the Company's deposit at bank because the deduction occurred while the case has not resolved.

Subsequently, on May 25, 2018, the bank which issued letters of guarantee to such contractor on behalf of the Company sued the Company to make a payment according to a request for issuance the letters of guarantee of Baht 49.49 million. The Civil Court took evidence in June 2019 and on August 15, 2019, the Civil Court already rendered its judgment

to dismiss the case and ordered the bank to return the money deducted from the Company's deposit at bank of Baht 12.31 million with interest since the date of prosecution until payment completion. In October 2019, the Company requested the Court to issue an execution warrant and meanwhile, bank appealed such case to the court. Subsequently, on September 22, 2020, the Appeal Court rendered its judgement to uphold the Civil Court's judgment. On December 4, 2020, the Court received certain payment from bank as the judgment. Later, on February 11, 2021 and October 21, 2021, the Company has received such payment of Baht 7.02 million and Baht 9.39 million, respectively.

- (2) On July 27, 2017, the Company was sued by 2 sub-contractors for breach of the construction agreements and the guarantee agreements due to termination made by the Company on July 13, 2017 with the claim amount of Baht 14.10 million. Later, on October 11, 2017, the Company had submitted testimony and sued for counterclaim 2 sub-contractors in the amount of Baht 11.39 million. The Civil Court had ordered to accept testimony and sued for counterclaim. Later, the Court appointed the mediation of the case. On March 29, 2018, the parties could not agree together and accept to return the case to the court consideration process. The Civil Court had ordered to take evidence on October 16 - 18, 2018 and on November 27, 2018, the Civil Court rendered its judgment to order the Company to make payment to sub-contractors and return letter of guarantee.

Subsequently, during May 2019, the Company received the rights to claim sequestered notice from Legal Execution Department to sequester the rights of some cash at bank of the Company of Baht 0.99 million and the bank has already withdrawn such cash to the Legal Execution Department. Subsequently, on May 26, 2020, the Appeal Court rendered its judgement to reverse the Civil Court's judgment which ordered the sub-contractor to pay the Company of Baht 11.39 million with interest since the next date of prosecution until payment completion. The Company filed an execution under the Appeal Court's judgment and filed objection of the petition to Supreme Court of sub-contractors.

Later, the Court ordered to accept petition of sub-contractors and suspend the execution. The Company submitted the supreme amendment on August 6, 2021. The case is being considered by the Supreme Court.

- (3) The Company has been sued by other companies as defendants for breach of contracts relating to construction, hire-of-work, purchase of goods, services, hire employee and borrowing as follows:
- As at December 31, 2020, the cases that the Court has rendered the judge compulsions to for 7 cases to order the Company to make compensation in amount of Baht 13.87 million. The Company has outstanding claim amount to be paid of Baht 2.46 million.

- During the year 2020 and 2021, the Company was sued totaling 2 cases relating to breach of contracts relating to construction and borrowing with the claims totaling of Baht 17.81 million. The cases are currently under consideration by the Court. Meanwhile, the Company has pledged land and buildings of the Company (see Note 13) and land of the Company's former directors for the bail contract to suspend the execution under the judgment of the Civil Court from one of the cases. The Court scheduled a collateral hearing on May 9, 2022.

# Part 2

## Corporate Governance

## 6. Corporate Governance Policy

### 6.1 Overview of the Policy and Guideline on Corporate Governance

#### 6.1.1 Policies and Guidelines Concerning the Board of Directors

##### Nomination of Directors, Independent Directors, Members of the Audit Committee

The Company has appointed the Nomination and Remuneration Committee ("NRC") to find a suitable candidate when a directorship becomes vacant. The NRC looked at a variety of factors, including the candidate's knowledge, skills, business-related experience, and qualifications that are not in violation of the Public Company Limited Act, Securities and Exchange Act, Securities and Exchange Commission Notifications, and Stock Exchange of Thailand Notifications. The appointment of a director must be recommended to the Board of Directors for approval.

1. The Board of Directors is made up of at least 5 directors, who are all chosen during a shareholders' meeting. Furthermore, at least half of the total number of directors must reside permanently in Thailand.
2. A third of the directors must resign at each annual general meeting of shareholders. If the number of directors to be appointed cannot be divided exactly in three, the number that is closest to one-third is retired. The directors who must resign from their positions in the first and second years after the company's registration will be chosen by lot. The director who has been in office the longest will retire in succeeding years. Re-election is possible for directors who are retiring due to rotation.
3. Directors are elected by a majority vote at the shareholders' meeting, according to the following rules and procedures:
  - i. Each shareholder has the same number of votes as the number of shares he/she owns.
  - ii. Each shareholder is required to elect one or more directors using his/her votes. When numerous people are elected as directors, the votes cannot be divided among them, no matter how much.
  - iii. The people who receive the most votes in descending order are elected as directors in the same number as the number of directors who have been or will be chosen at that time. When the number of people elected in descending order has equal votes to the number of people who should or will be elected on that particular occasion, the chairman of the meeting has a casting vote.

4. Unless the remaining term of the director is less than two months, the NRC shall nominate a person who has qualifications and does not have any prohibited characteristics to replace the director at the next meeting of the Board of Directors if the position of the director becomes vacant for reasons other than the expiration of the term.
5. A person who becomes a director in the place of a resigning director can only serve for the remainder of the term of the director he/she replaces. The Board of Directors resolution must have the votes of at least three-quarters of the remaining directors.
6. The shareholders meeting may pass a resolution to remove any director from office prior to the expiration of his/her term by a vote of not less than three-fourths of the number of shareholders at the meeting and having the right to vote.

#### **Nomination of Independent Directors and Members of the Audit Committee**

Independent directors and members of the Audit Committee are appointed by the shareholders' meeting. Each member will serve a three-year term. Moreover, independent directors and members of the Audit Committee who complete their terms may be re-appointed. Independent directors must account for at least one-third of the total number of directors on the board. However, the Audit Committee must have at least three members, with at least three of them being independent directors.

However, in order to comply with the Stock Exchange of Thailand's corporate governance guidelines, the Company has required that independent directors will serve for a maximum of 9 years from the date of their first appointment. Currently, none of the 6 independent directors has served in their current post for longer than nine years (see details in Attachment 1).

According to Notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand, all independent directors must have the following qualifications.

Independent Director is defined as a director who has no commercial or related employment that could influence their ability to make independent decisions. According to the Securities and Exchange Commission's regulations, an independent director must have the following qualifications:-

1. Holding less than 1% of voting shares in the Company, a parent company, a subsidiary company, a related company, a major shareholder, or an entity controlling the Company. Furthermore, any related persons of that independent director's shareholding shall be counted in this regard.

2. Being or having been a director who participates in management, an employee, a consultant who receives a regular salary, or a controlling person of the Company, a parent company, a subsidiary company, an associated company, a subsidiary of the same level, a major shareholder, or an entity controlling the Company, for not less than two years prior to the date of submission of an application for permission to the Office of the SEC. However, such prohibited qualities do not apply in the case of an independent director who previously worked for the government, or was a government agency's advisor who was a major shareholder, or an entity controlling the Company.
3. Not being linked by blood or by legal registration in the form of father, mother, spouse, siblings, or children to another director, management, a major shareholder, a controlling person, or a director candidate of the Company or a subsidiary.
4. Not having a business tie with the Company, a parent company, a subsidiary company, an associated company, a substantial shareholder, or an entity controlling the Company that could block the exercise of independent judgment. He/she also cannot be or have been a major shareholder or controlling person of an entity with a business relationship with the Company, a parent company, a subsidiary company, an associated company, or a controlling entity of the Company, unless the preceding nature has been vacated for a period of not less than two years prior to the date of submission of an application for approval to the Office of SEC.

A business tie in the first paragraph is defined as any transaction that results in the Company or its counterparty owing the other party 3 percent of the Company's net tangible assets or THB 20 million or more, whichever is lower. This term includes common business transactions including renting or leasing real estate, asset or service transactions, taking or offering financial help in the form of loans, guarantees, or the provision of assets as collateral for liabilities, and other similar transactions. The procedure for estimating the value of such transactions, however, is governed by the Capital Market Supervisory Board's Notification, Re: Rules on Connected Transactions. Furthermore, debt commitments incurred one year prior to the commencement of the commercial partnership with the same individual are included in this calculation.

5. Not being or using to be an auditor of the Company, a parent company, a subsidiary company, an associated company, a major shareholder, or an entity controlling the Company, and a controlling major shareholder or a partner of the audit firm with which the Company, a parent company, a subsidiary company, an associated company, a major shareholder, or an entity controlling the Company, unless the preceding nature has been vacated for a period of not less than two years prior to the date of submission of an application for approval to the Office of SEC.



6. Not being or having previously been a professional service provider of any kind, including legal or financial advice, and receiving service fees of more than THB 2 million per year from the Company, a parent company, a subsidiary company, an associated company, a major shareholder, or an entity controlling the Company, and not being a major shareholder, controlling person, or a partner in such service provider, unless the foregoing nature has been vacated for not less than two years prior to the date of submission of an application for permission to the Office of SEC.
7. Not being a director who has been nominated to represent the Company's directors, a major shareholder, or a shareholder associated with a major shareholder.
8. Not operating a business that is in the same condition as the Company or its subsidiaries and competes directly with them. Or not being a significant partner in a partnership, a director who participates in management, a staff member, an employee, a consultant who receives a regular salary, or a shareholder owning more than 1% of the total number of shares with voting rights in other companies that operate businesses similar to the Company's or its subsidiaries'.
9. Possessing no other characteristics that prevent him/her from expressing an independent opinion on the Company's operations.

The independent director may be assigned by the Board of Directors after being appointed as an independent director, with the characteristics specified in Clauses 1 to 9, to decide on the operation of the Company, a parent company, a subsidiary company, an associated company, a same-level subsidiary, a major shareholder, or an entity controlling the Company, in the form of a collective decision.

#### **Conflicts of Interest**

To ensure that the Company's interests are aligned with those of all stakeholders, the Board of Directors has adopted a written policy and procedure for related transaction approval. Independently, within the bounds of good ethics, and in accordance with the Stock Exchange of Thailand's regulations in terms of price and terms, as if done with a third party (Arm's Length Basis). The policy also requires a director who has a conflict of interest in a matter under consideration to abstain from participating in or voting on that agenda. Furthermore, the Audit Committee has a responsibility to consider and provide opinions on such transactions, as well as to provide adequate disclosure of information on such matters. The Company discloses the connected transactions in the Annual Report under Related Party Transaction.

### **Stakeholder Report**

For the sake of transparency and to eliminate any conflicts of interest, the Board of Directors has established the following guidelines for reporting the Company's directors' and officers' interests:

- On the day they enter office, directors or executives, including family members who are related to the Company or are shareholders, must prepare and submit stakeholder reports to the Company. The report must be reviewed at least once a year, or within 7 days of any changes to the information.
- Directors and executives are responsible for preparing and reporting their holding of the Company's securities. When there is a change in their securities holdings, they must report the changes to the Securities and Exchange Commission (SEC) within three days.
- The Board of Directors has entrusted the storage of the stakeholder reports to the Company Secretary.

### **Self-Evaluation of the Board of Directors**

The Board of Directors conducts a self-assessment of members of the Board of Directors and sub-committees at least once a year, both individually and collectively, to analyze the difficulties and barriers encountered over the previous year. The performance evaluation was based on the Stock Exchange of Thailand's recommended evaluation approach, which was modified to fit the Company's business activities as follows:

#### **Collective Self-Assessment of the Board of Directors**

1. Structure and qualification of the Board of Directors
2. Meeting of the Board of Directors
3. Roles, duties, and responsibilities of the Board of Directors
4. Relationship between the Board of Directors and executives, and self-development of directors and executives.

#### **Collective Self-Assessment of the Sub-committee**

1. Structure and qualification of the Sub-committee
2. Meeting of the Sub-committee
3. Roles, duties, and responsibilities of the Sub-committee

#### **Individual Self-Assessment of the Board of Directors and Sub-committees**

1. Structure and qualification of the committee
2. Meeting of the committee
3. Roles, duties, and responsibilities of the committee

### **Development of Directors and Executives**

- The company encourages and educates those who are active in the company's corporate governance structure to improve operations on a constant basis
- The management team has prepared a package of documents and information that will serve as an introduction to business operations and guidelines, as well as aid a new director in fulfilling his/her obligations.
- A succession plan has been put in place in the event that the Chief Executive Officer and/or senior management are unable to perform their duties. In addition, as part of the succession plan, there is a management development plan.

### **Report of the Board of Directors**

The Board of Directors must report its responsibilities in the preparation of the financial report, which is presented alongside the auditor's report in the Company's Annual Report (Form 56-1 One Report), with at least the details required by relevant laws, regulations, or requirements.

## **6.1.2 Policies and Guidelines Concerning Shareholders and Stakeholders**

### **Rights of Shareholders**

The Company recognizes and values the fundamental rights of shareholders, including institutional shareholders, such as the ability to buy, sell, or transfer shares, share in the company's profits, receive adequate business news and information, vote in the shareholders' meeting to appoint or remove directors, appoint an auditor, and issues affecting the company, such as dividend distribution, determination or amendment of the Company's Articles of Association and Memorandum of Association, capital reduction or capital increase, and approval of special transaction, among other things, without taking any action that infringes or deprives the shareholders' rights.

In this regard, the Board of Directors has established a policy to facilitate and encourage all shareholders to participate in the shareholders' meeting, whether they are Thai investors, foreign investors, retail investors, or institutional investors. Details are as follows.

## **Policy to Facilitate and Encourage Shareholder Participation in Shareholder Meetings**

### **Shareholders' Meeting**

- Organize an Annual General Meeting of Shareholders and, if necessary, consider calling additional Extraordinary General Meetings of Shareholders in accordance with Thai laws and Stock Exchange regulations.
- The Company encourages all types of shareholders, including institutional investors, to attend the shareholders' meeting.
- The date, time, location, and agenda of the meeting are all provided, as well as an explanation of the objectives and reasons for each agenda item together with the Board of Directors' opinions in the shareholder meeting invitation or attachments to allow shareholders enough time to study for decision-making. The Company will send a meeting notification and other supporting documents at least seven days in advance (or any other period required by law).
- The Company fully supports shareholders' right to attend and vote at the meeting by holding it on a business day at a hotel or a location in Bangkok or its vicinity that is easily accessible to shareholders.
- The guideline and details of documents that shareholders must present on the meeting date in order to retain their rights to attend the meeting, assign proxies, and vote are specified in the meeting notification.
- If shareholders are unable to attend the meeting, the Company allows them to appoint independent directors or anyone else to attend on their behalf by utilizing the Proxy Form A, Form B, or Form C, whichever is applicable and all of which were sent along with the meeting notice.

### **Activities on the Date of the Shareholders Meeting**

- Encourage the use of technology in the shareholders meeting for registration, vote counting, and results display in order to make the meeting process faster and more accurate.
- Allow enough time for shareholders to express their opinions and ask questions during the meeting.
- There is a policy requiring all directors to attend the shareholders meeting and providing shareholders with the opportunity to question all directors on related matters.
- Prior to the meeting, clarify the voting process and the method of presenting voting results. and plan for voting on each item if there are multiple items on the agenda, such as the agenda for appointing directors

- Make a list of the directors who attend and do not attend the meeting, as well as how many shareholders approve, oppose, or abstain from voting on each agenda item, questions and answers, and shareholder opinions. Additionally, take note of the explanation of the voting process and the method of presenting the voting results prior to the start of the meeting.

#### *Preparation of the Minutes of the Meeting and Disclosure of the Meeting Resolutions*

- On the following business day, the Company discloses the voting results of each agenda item in the Annual General Meeting via the Stock Exchange of Thailand's information dissemination system and the company website.
- According to the regulations, prepare the minutes of the Annual General Meeting of Shareholders and submit them to the Stock Exchange of Thailand within 14 days of the meeting date. Furthermore, make available the meeting minutes, which have been meticulously and appropriately recorded, including the voting results and shareholder questions for each agenda item.

#### **Equitable Treatment of Shareholders**

The Company respects the rights of all shareholders, whether they are Company executives or non-executives, foreign shareholders, or minority shareholders. The Company will make certain that all shareholders are treated fairly and that their fundamental rights are safeguarded. To encourage equal and fair treatment of all shareholders, the Board of Directors has established the following policies.

- Carry out the shareholders meeting according to the agenda outlined in the meeting notification. Furthermore, there is a policy of not adding any unannounced agenda items, particularly those that require sufficient time for shareholders to study before making a decision, or those proposed by shareholders who are directors and/or executives.
- If shareholders are unable to attend the meeting, the Company allows shareholders to appoint independent directors or anyone else to attend on their behalf by using the proxy form A, Form B, or Form C, as applicable, which was sent along with the meeting notification. For each agenda item, ballots have been prepared using a barcode system, and shareholders can vote as they see fit. Furthermore, before making an announcement, the results of the votes include all votes cast in advance (if any) in the proxy form. For the sake of transparency, the company will collect ballots from shareholders prior to announcing the outcome of the meeting's votes, as well as for future inspection.

- Allow shareholders to register, and even after the registration period has passed, allow shareholders who want to attend the meeting to register to attend without losing their rights.
- Shareholders can use their voting rights to appoint individual directors of the Company on the agenda to appoint directors.
- The Chairman of the Board of Directors, directors, and relevant executives, as well as the Chairmen of all sub-committees, are responsible for attending the shareholders meeting and responding to shareholder questions. Furthermore, important questions and opinions are recorded in the meeting minutes for future review.
- To avoid conflicts of interest with any of the Company's stakeholders, the Board of Directors has established a written policy and procedure for the approval of related transactions. The Board of Directors is responsible for independently determining the appropriateness of a related transaction within a good ethical framework, while also adhering to the Stock Exchange of Thailand's regulations in terms of price and terms, just as if done with a third party (Arm's Length Basis). Furthermore, the policy requires directors with conflicts of interest to refrain from participating in or voting on the agenda. Furthermore, the Audit Committee is required to review and comment on such transactions. The Company discloses information on related transactions in the Annual Report, under Related Party Transactions.
- There is a policy in place to govern the use of inside information, which prohibits directors, executives, or entities who have received inside information from disclosing it to third parties who have no relevant duties or who improperly use such information for personal gain. The policy also requires directors and executives to report on changes in securities holdings as required by the Securities and Exchange Commission. To control the use of inside information, the company has clearly defined rules and regulations in writing (details in the topic of supervision on the use of inside information) and disseminate such policies to employees at all levels of the organization. Furthermore, all directors and executives who are required by law to report their shareholdings must do so on a regular basis and make such reports public in the Annual Report.
- Following disclosure to the Thai Stock Exchange, current information is made available on the Company's website. The information will be published on the Company's website in both Thai and English to keep shareholders up to date on important information as required by various regulations. Furthermore, the Company establishes a communication channel with shareholders through the Company's website, allowing shareholders to ask questions and receive information in an equal manner.

- All directors and senior executives are required to report their stakeholders to the Board of Directors for acknowledgement.

### **Roles of Stakeholders**

The Company has a policy of treating all stakeholders fairly, including customers, employees, business partners, shareholders or investors, creditors, the community in which the Company operates, society or government, as well as competitors and independent auditors, and taking into account their legal or contractual rights. The Company will not do anything that violates the rights of stakeholders, and will prioritize and support the protection of all stakeholders' rights. The policy on fair treatment of key stakeholders is determined by the Board of Directors in the following manner.

Customer: The Company is responsible for customers and keeps their information private while developing new services to ensure that their needs are always met. Furthermore, clear and concise systems and methods of operation for the project selection process, as well as after-sale services, are in place. (See Procurement of Goods and Services for more information.)

The Company has established the following policies and guidelines:

1. The company practices ethical marketing. It has a policy of providing customers with accurate information about the company's services without using misleading, ambiguous, or exaggerated advertising. To provide accurate and sufficient information to customers in order for them to make decisions
2. The Company considers customer safety and is committed to providing quality and safe services to customers in accordance with international safety standards and regulations, as well as the requirements of the law. Furthermore, it is constantly designing, creating, and developing services in order to instill confidence in the quality, standards, and safety of the Company's services among its customers.
3. The Company provides a customer relationship system for customer communication, including the effective receipt of complaints about service quality via the Company's website in order to respond quickly to customer needs
4. The Company will keep the customer's information confidential and will not misuse it.
5. The Company organizes a variety of activities to strengthen long-lasting customer relationships.

*Business Partners/Creditors:* The Company purchases goods and services on equal and fair terms from business partners and rigorously adheres to terms and/or contractual agreements with partners and trade creditors. The following policies and guidelines have been put in place for selecting partners for building material, subcontractors, and rental of construction tools and equipment (Please see details in the section of Procurement of Products and Services).

1. Do not take any actions relating to intellectual property infringement. Encourage executives and employees to make effective use of company resources and assets. Use properly licensed goods and services.
2. To standardize commercial transactions with both domestic and international partners, and to carefully comply to commercial terms and requirements.

#### **Supervision of the Use of Inside Information**

The following is the Company's policy for supervising the use of inside information:

1. Directors, executives, and employees of the Company must protect confidentiality of the Company's inside information.
2. Directors, executives, and employees of the Company shall not disclose secrets and/or inside information of the Company for personal gain or the benefit of any other person, whether directly or indirectly, and whether or not they receive a return.
3. Directors, executives, and employees of the Company are prohibited from purchasing, selling, transferring, or accepting transfers of the Company's securities while using the Company's secrets and/or insider information. Furthermore, they are prohibited from entering into any other legal contract based on the Company's secret and/or inside information that may cause damage to the Company, either directly or indirectly.

Directors, executives, and employees of the Company who work in departments that have access to inside information should refrain from trading in the company's securities for one month before the financial statements are released to the public. This requirement applies to the spouses and minor children of the Company's directors, executives, and employees. Anyone who violates such regulations will be charged with a serious offense.

4. Directors and executives of the Company are required by Section 59 of the Securities and Exchange Act B.E. 2535 to report changes in securities holdings for themselves, their spouses, and minor children to the Office of the Securities and Exchange Commission.



Anyone who violates or fails to comply with the regulations governing the use of inside information will be punished in accordance with the penalties prescribed in the Public Company Act, the Securities and Exchange Act B.E. 2535, and other relevant laws, including notifications, rules, and regulations of the company and related agencies, such as the Stock Exchange of Thailand and the Securities and Exchange Commission.

## 6.2 Business Ethics

### (1) Business Ethics

1. Observance of the Company's bylaws and regulations.
2. Preserving the Company's Assets and Interests.
3. Fair, transparency, and professionally ethical treatment to all groups of stakeholders, including customers, employees, trading partners, shareholders or investors, creditors, community in which the Company is located, society or the government sector, as well as competitors. and independent auditors.
4. Considering stakeholder rights under the laws or in agreements with the Company.
5. Employees of the Company do not run a business in the same industry as the Company, or in competition with the Company, causing the company to lose benefits.
6. The Company supports activities and instills in all employees the importance of adhering to the laws and regulations.
7. Develop personnel to improve employee efficiency and competence.

### (2) Ethics and Code of Conduct for Directors and Executives

1. The Company has a policy requiring directors and executives to carry out their responsibilities in an ethical manner, have integrity and fairness, and oversee business operations in an open and honest manner.
2. Comply with the laws, regulations, the Company's bylaws, as well as principles of good corporate governance.
3. There is oversight to ensure that the established policies are implemented effectively and efficiently.
4. Consideration of the appropriateness of transactions involving conflicts of interest and reasonable connected transactions independently within the framework of good ethics, as well as compliance with the Stock Exchange of Thailand's regulations in terms of price and conditions as if with a third-party.
5. Keep the Company's secrets and inside information private and do not use them for personal gain.

### **(3) Ethics and Code of Conduct for Employees**

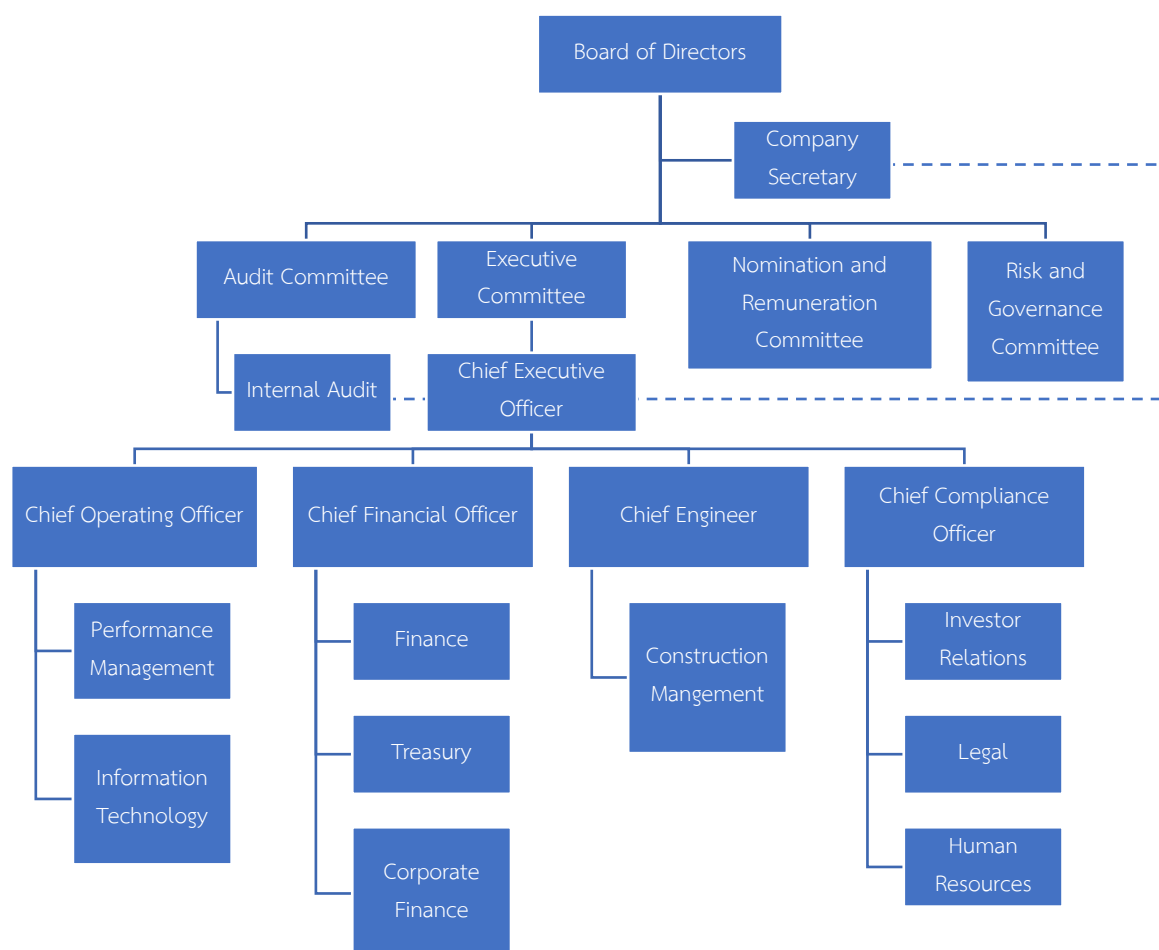
1. Perform duties in a transparent manner with no corruption.
2. Keep the Company's secrets and inside information private and do not use them for personal gain.
3. Perform duties in accordance with the laws, rules, regulations, good corporate governance principles, and related policies.
4. Responsibility and prudence by prioritizing the Company's best interests.
5. Improve efficiency of works under responsibility.

## **6.3 Key Development of Policies, Guidelines, and Corporate Governance Framework in the Previous Year**

Following the issuance and offering of newly issued shares of the Company to new shareholders through a private placement process, and the structuring of the Company's organization, Board of Directors, Sub-committees, and management team, all policies, practices, corporate governance framework, and sub-committee charters have all been reviewed. Moreover, the review was also conducted to reflect changes that occurred and to ensure compliance with good corporate governance principles for listed companies in 2017.

## 7. Corporate Governance Structure and Significant Information on the Board of Directors, Sub-committees, Executives, and Employees

### 7.1 Corporate Governance Structure



### 7.2 Board of Directors

#### 7.2.1 Composition of the Board of Directors

The Board of Directors of the Company is comprised of individuals with diverse credentials, such as skills, experiences, and specialized expertise that are valuable to the Company's business. Each member of the Board of Directors has extensive experience in the industry relevant to the Company's operations and serves a three-year term. The number of directors on the Board of Directors shall be maintained in a proportion that is relevant and appropriate to the business size and complexity of the Company. The Board of Directors currently consists of ten members.

1. Chief Executive Officer; working full-time similar to full-time employees.
2. Nine Non-Executive Directors, accounting for 90% of the Board of Directors.
3. Six Independent Directors, accounting for 60% of the Board of Directors. Four Independent Directors of the Board of Directors are members of the Audit Committee. The proportion and qualifications of Independent Directors are in accordance with to the regulations of the Stocks Exchange of Thailand and the Securities and Exchange Commission.

The Board of Directors has established clear policy and procedures stating that no one director may serve on the boards of more than five publicly listed companies. In 2021, none of the ten directors held more than five positions in publicly listed companies. Moreover, individual directors' positions in other publicly listed companies are disclosed in the Annual Report.

The Company has established clear policies and practices in place that allow top Executives to hold directorships in other companies as needed, but that directorship must not interfere with the Company's roles and responsibilities and must be approved in advance by the Company's Board of Directors or authorized persons.

To achieve a balance between administration and effective corporate governance, the Chairman of the Board of Directors and the Chief Executive Officer must be different person. Moreover, more than half of current Board of Directors are independent, ensuring a balance of power and a review of the Company's administration, as well as efficiency and transparency. The Company has well defined roles and responsibilities, which prohibits any one person from wielding undue power.

## 7.2.2 Members of the Board of Directors

As of December 31, 2021, the Company's Board of Directors comprised 10 members as follows:

Name-Surname	Title	Types of Directors
Mr. Van Hoang Dau <sup>1</sup>	Chairman of the Board of Directors	Non-executive Director and Authorized Director
Mr. David Van Dau <sup>1</sup>	Chairman of the Executive Committee Member of the Nomination and Remuneration Committee Member of the Risk Management Committee	Executive Director and Authorized Director
Pol. Gen. Chaiwat Getworachai <sup>1</sup>	Chairman of the Audit Committee	Independent Director
Mr. Prapas Vichaku <sup>2</sup>	Member of the Audit Committee	Independent Director
Dr. Khammany Inthirath <sup>2</sup>	Chairman of the Risk Management Committee Member of the Audit Committee	Independent Director
Dr. Souphan Keomixay <sup>2</sup>	Chairman of the Nomination and Remuneration Committee	Independent Director
Mr. Nopadol Intralib <sup>3</sup>	Member of the Nomination and Remuneration Committee Member of the Risk Management Committee	Independent Director
Mr. Dhana Bubphavanich <sup>1</sup>	Member of the Executive Committee	Non-executive Director
Dr. Chaiyod Chirabowornkul <sup>1</sup>	Member of the Executive Committee	Non-executive Director
Dr. Damp Sukontasap <sup>4</sup>	Member of the Audit Committee	Independent Director

Notes:

<sup>1</sup> Being appointed by resolutions of the Board of Directors Meeting No. 7/2021 on October 27, 2021 in succession of the resigned directors.

<sup>2</sup> Being appointed by resolutions of the Board of Directors Meeting No. 8/2021 on October 27, 2021 in succession of the resigned directors.

<sup>3</sup> Being appointed as Member of Nomination and Remuneration Committee by resolutions of the Board of Directors Meeting No. 9/2021 on November 9, 2021 in succession of the resigned director. And being appointed as Member of Risk Management Committee by resolutions of the Board of Directors Meeting No. 11/2021 on November 19, 2021 in succession of Mr. Chaiyod Chirabowornkul.

<sup>4</sup> Being appointed by resolutions of the Board of Directors Meeting No. 9/2021 on November 9, 2021 in succession of the resigned director.

Authorized Directors are as follows:

Mr. Van Hoang Dau and Mr. David Van Dau jointly sign and affix the Company's seal.

## 7.2.3 Roles and Responsibilities of the Board of Directors

### Scope of authority of the Chairman of the Board

1. To cast the decisive vote in the event of a tie at the Board of Directors Meeting.
2. To supervise and ensure that the meeting runs well, as well as to provide assistance in ensuring that all directors participate and openly voice their thoughts.
3. To serve as the Chairman of the Company's Shareholders' Meeting, supervising and ensuring that the meeting is conducted in line with applicable laws and regulations.
4. To carry out responsibilities with honesty and integrity while also maximizing benefits to the Company, shareholders, and other stakeholders in accordance with applicable laws.

### Scope of authority of the Board of Directors

1. To carry out duties in accordance with laws, objectives, the Company's bylaws, and resolutions of Shareholders' Meetings, except for issues that require approval from the Shareholders' Meeting before execution, such as connected transactions, asset acquisition or disposal, and selling or buying important assets in accordance with the regulations of the Stock Exchange of Thailand or other governmental agencies.
2. To establish the Company's vision, mission, strategies, objectives, and business direction, as well as to govern and oversee the executive team's performance in line with the established policies, plans, and direction, in order to maximize shareholders' value and expand sustainably.
3. To put in place reliable accounting systems, financial reporting systems, and auditing functions, as well as to ensure the sufficiency and appropriateness of the internal control and internal audit system.
4. To appoint or change authorized signatories to bind the Company.
5. To establish internal rules and regulations of the Company.
6. To Consider and approve significant issues, such as a corporate strategy, budget, substantial investment projects, administrative power, and any other elements necessary by law.
7. To consider and approve the organizational structure, administrative power, as well as the executive team's performance evaluation and remuneration.
8. To review and approve the administrative structure, as well as the appointment of the Board of Directors and the Chief Executive Officer. Furthermore, the Board may grant authority to one or more of members of the Board of Directors or other persons to perform any of the actions on behalf of the Board of Directors under the supervision of the Board of Directors, or granting authority to allow the

aforementioned person to have authority according to the Board of Directors' resolution and within the time frame that the Board of Directors deems appropriate. As appropriate, the Board of Directors may dismiss, alter, or amend the appointed person.

The authority approval must not allow the Board of Directors, Chief Executive Officer, any of the directors, or any other designated persons to approve issues in which the designated person or persons may have conflicts, gain or loss, or conflicts of interest with the Company or subsidiary companies (if any), except for approval in the normal course of business and under general commercial terms, of which the pre-determined amount and authority have been defined, under the Stock Exchange of Thailand's guidelines, conditions, and procedures concerning connected transaction and asset acquisition or disposal, or applicable Notifications of the Securities and Exchange Commission of Thailand.

The Board of Directors' approval authority must be issued in accordance with the Company's legal criteria, rules, and regulations, as well as those of other relevant bodies such as the Stock Exchange of Thailand and the Securities and Exchange Commission. Furthermore, any Board members or individuals who may have a conflict of interest, gain or loss, or any other conflict of interest with the Company or its subsidiaries shall have no voting rights on those issues.

9. To be responsible for operating results of the executive team and discharge its duties carefully and cautiously.
10. To ensure that there is no conflict of interest between stakeholders and the Company.
11. The following authorities shall be exercised only after obtaining the approval from the Shareholders Meetings. Any directors or individuals are ineligible to vote on agenda items in which they are found to have conflicts of interest. In addition, the adoption of items iii – viii below needs a majority vote of directors present at the meeting, as well as at least three-fourths of votes from shareholders present at a shareholders' meeting and entitled to vote on that agenda.
  - i. An issue that is required by laws to obtain a resolution from a Shareholders' Meeting.
  - ii. A transaction in which a director has an interest, and which falls within the scope of the laws or the regulations of the Thai Stock Exchange requiring that it must be approved by a Shareholders' Meeting.
  - iii. A sale or transfer of the entire or a substantial portion of the Company to other parties.

- iv. A purchase or an acceptance of transfer of business from another company.
  - v. Execution, amendment, or termination of a lease covering the entirety or substantial portion of the Company's operation, as well as an appointment of another party to manage the Company's business, or a combination of the Company's business with another with the intention of sharing profit and loss.
  - vi. Additional amendment of the Company's memorandum of association or articles of association.
  - vii. Capital increases and decreases, debt issuance, mergers and acquisitions, or dissolution of the Company.
  - viii. Other matters as defined by securities laws and/or Stock Exchange of Thailand regulations, which must be resolved by Meeting of the Board of Directors and Shareholders, using the aforementioned voting criteria.
12. If there is a direct or indirect gain or loss from a contract relating to the Company's operations, or if there is a change in ownership of the Company's shares or other securities, the Board of Directors is required to notify the Company immediately.
  13. Report on the Board of Directors' responsibilities for preparing financial reports, which is included in the Annual Report alongside the auditor's report. The report addresses critical issues outlined in the codes of conduct for the Board of a listed company on the Stock Exchange of Thailand.
  14. Provision of the Company's balance sheet and income statement at the end of the fiscal year of the Company, audited by the auditor, to be proposed for review and approval at a Shareholders' Meeting.
  15. Arrangement of an Annual General Meeting of Shareholders within 4 months after the fiscal year's end.
  16. Arrangement of a Board of Directors' Meeting at least once every 3 months.

## 7.3 The Sub-committees

### 7.3.1 The Sub-committees

The Company's governance structure comprises 5 committees, including the Board of Directors, the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee.

- The Executive Committee has been appointed by the Board of Directors to assist in the screening of policies, directions, business strategies, administrative structure, business plan, and annual budget, as well as to monitor and govern the strategic



plan, tasks and projects included in the annual business plan that have been approved by the Board, financial operating results, risk management, and other operations as assigned by the Board of Directors.

- The Company's Board of Directors has appointed and delegated authority and duty to the Audit Committee in order to help oversee and support the executive team. It is comprised of four independent directors who serve three-year terms and meet on a regular basis with the internal audit firm, internal auditors, and executives from the Company. Furthermore, at least one member of the Audit Committee is knowledgeable in accounting and finance.
- The Company has appointed the Nomination and Remuneration Committee to recommend candidates for director posts. However, the Company has established nomination criteria to pick individuals with expertise, talents, experiences, qualifications, vision, and autonomous decision-making to fill vacant director seats in order to maximize the Company's and overall shareholders' benefits. The Nomination and Remuneration Committee will also look at remuneration guidelines for directors and top executives. All committees' remuneration packages are subject to ratification by Shareholders Meetings.
- The Risk Management Committee has been appointed by the Company's Board of Directors to establish risk management policy for the entire organization, as well as to control and monitor risk management systems or procedures in order to effectively mitigate impacts on the Company's business.

### 7.3.2 Members of Sub-committees

The Audit committee consisted of four members as of December 31, 2021.

Name		Position
1. Pol. Gen. Chaiwat	Getworachai	Chairman of the Audit Committee
2. Mr. Prapas	Vichakul	Member of the Audit Committee
3. Dr. Khammany	Inthirath	Member of the Audit Committee
4. Dr. Damp	Sukontasap	Member of the Audit Committee

Dr. Damp Sukontasap has the necessary expertise and experience to analyze and verify the financial report.

#### Scope of Authorities and Responsibilities of the Audit Committee

1. Provide oversight to ensure that the Company's financial report is accurately prepared and adequately disclosed, by working with the external auditor and executives in charge of financial reporting. The Audit Committee may provide

comments and opinions for the auditor to review or audit any transactions that require attention during the Company's audit.

2. Ensure an appropriate and effective internal control and internal audit system by collaborating with external auditors and the internal audit team, consider the independence of the internal audit unit, and give consent to appoint, transfer, and terminate the internal audit leader or any other work units relevant to internal audit.
3. Verify that the Company's operations are in accordance with the Securities and Exchange Act, the Stock Exchange of Thailand's rules and regulations, and any other laws applicable to the Company's operations.
4. Select, appoint, and terminate the Company's auditors, as well as consider the audit fee, taking into account creditability, adequacy of its resources, the firm's audit engagements, in-charge-auditors' experiences, and auditor independence, in order to recommend them to the Board of Directors for approval by the Shareholders' Meeting. At least once a year, the Audit Committee must meet with the external auditor without the presence of the executive team.
5. Consider disclosing information concerning connected transactions or transactions that may result in a conflict of interest, as well as expressing opinions on the aforementioned transactions to be proposed to the Board of Directors' Meeting and/or Shareholders' Meeting.
6. Review the financial management and risk management policies as per assignment by the Board of Directors' and approved by the Audit Committee.
7. Report the Audit Committee's activities in the Annual Report, which must be signed by the Chairman of Audit Committee and should consist of the following information:
  - i. Opinion on the accuracy and completeness of the procedures for preparing the financial report and disclosing information.
  - ii. Opinion on the adequacy of the Company's internal control system.
  - iii. Evidence to support the appointment of the external auditor for another term.
  - iv. Opinion on the Company's compliance with Securities and Exchange laws, Stock Exchange of Thailand's rules and regulations, and other applicable laws.
  - v. Opinion on transactions which may lead to conflict of interest.
  - vi. The number of Audit Committee meetings and each member's participation at such meetings.
  - vii. Opinion or remark collected by the Audit Committee while carrying out its charter-mandated functions.

- viii. Any other issues that shareholders and investors should be aware of under the Board of Directors' authority and responsibility.
- 8. Report the performance of the Audit Committee to the Board of Directors at least once a year.
  - i. Prepare the Audit Committee's report on Corporate Governance in the Company's annual report, which must be signed by Chairman of the Audit Committee.
  - ii. Perform any other functions as assigned by the Company's Board of Directors with the consent of the Audit Committee.

The Audit Committee has the authority to invite the executive team, executives, or employees to report, give opinions, attend meetings, or submit documents that are relevant and essential when executing activities within the scope of authority and responsibility.

The Company's Board of Directors have authority to amend the scope of authority and responsibility of the Auditor Committee as necessary or deemed appropriate

There were 4 members of the Executive Committee as of December 31, 2021 as follows:

Name		Position
1. Mr. David	Van Dau	Chairman of the Executive Committee and Chief Executive Officer
2. Mr. Dhana	Bubphavanich	Member of the Executive Committee
3. Dr. Chaiyod	Chirabowornkul	Member of the Executive Committee
4. Ms. Somruedee	Halilamien <sup>1</sup>	Member of the Executive Committee

Note: <sup>1</sup> Being appointed by the resolution of the Board of Directors' meeting 11/2564 as at November 19, 2021.

### **Scope of Authorities and Responsibilities of the Executive Committee**

The Executive Committee has authority, duty and responsibilities in work administration to supervise the normal course of business operations and management of the Company, set policy, business plan, budget, administrative structure and administrative authorities of the Company as well as criteria in business execution in response to the economic condition so as to propose to the Board of Directors for consideration and approval and/ or resolution. The Executive Committee shall also monitor and follow-up the Company's operating results in line with the Company's policy. Role & responsibilities are summarized as follows:

The Executive Committee has the authority, duty, and responsibilities in work administration to supervise the normal course of business operations and management of

the Company, set policy, business plan, budget, administrative structure, and administrative authorities of the Company, as well as criteria in business execution in response to economic conditions, and to propose to the Board of Directors for consideration, approval, and/or resolution. In accordance with the Company's policy, the Executive Committee shall additionally monitor and follow-up on the Company's operating results. The following are a summary of the roles and responsibilities:

1. Plan and establish policies, directions, strategies, and administrative structures in the Company's business operations in accordance with the economic conditions and competitive environment for approval by the Company's Board of Directors.
2. Prepare the Company's business plan, budget, and administrative authority for approval by the Board of Directors.
3. To control and supervise the Company's business operations in accordance with the Board of Directors' authorized business policy, business plan, and business strategy.
4. Consider and execute a contract relevant to the Company's business or a contract involving purchase of assets or acquisition of rights for the benefit of the Company's business, as well as procedures and negotiation methods to completing such contract within the pre-determined budget, with each contract amount not exceeding THB 300 million.
5. Approve capital expenditures as outlined in the Board of Directors approved annual budget or as agreed upon in principle by the Board of Directors.
6. Execute financial transactions with financial institutions for the benefit of the Company's business operations, such as account opening, loan, borrowing, credit limit provision, warranty, mortgage, guarantee, as well as buy and sales of land, and land registration.
7. Review the Company's profit and loss statement, as well as interim and annual dividend payments, for consideration by the Company's Board of Directors.
8. Carry out any obligations to assist the aforementioned responsibilities or as delegated by the Board of Directors.

The Executive Committee may grant power of attorney to employees in the Company's executive level to have financial approval authority in one of, some of, or many of the issues deemed acceptable by the Executive Committee.

The authority approval must not allow the Executive Committee or the designated person(s) by the Executive Committee to approve issues that the designated person(s) or persons who may have conflicts, gain and loss, or conflict of interest to the Company or subsidiary companies (if any), except for the approval in the normal course of business and under general commercial terms, of which the amount and authority have been pre-

defined by the Board of Directors, under the Stock Exchange of Thailand's guidelines, conditions, and procedures concerning connected transaction and asset acquisition or disposal, or applicable Notifications of the Securities and Exchange Commission of Thailand. In this regard, the Board of Directors has the authority to revise and change the extent of the Executive Committee's authority and responsibility as necessary or appropriate.

There were 3 members of the Nomination and Remuneration Committee as of December 31, 2021, as follows:

Name		Position
1. Dr. Souphanh	Keomixay	Chairman of the Nomination and Remuneration Committee
2. Mr. David	Van Dau	Member of the Nomination and Remuneration Committee
3. Mr. Nopadol	Intralib	Member of the Nomination and Remuneration Committee

#### **Scope of Authorities and Responsibilities of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee conducts activities as assigned by the Board of Directors, with the following roles and responsibilities:

##### **Nomination**

1. Consider the Board of Directors structures in terms of number of members, taking into account the size, type, and complexity of the business, as well as the qualifications of each member in terms of skills, experiences, and specialized expertise relevant to the Company's main business or industry.
2. Given the characteristics of the Company, the qualifications of candidates for appointment as independent directors should be consistent. Furthermore, candidates' independence must at the very least meet Securities and Exchange Commission criteria.
3. Establish criteria and policies for the selection of the Board of Directors and Sub-Committees, as well as member qualifications.
4. Select and nominate eligible individuals to fill the positions of the Company's directors whose terms are coming to an end, and/or fill a vacancy, and/or make additional appointments.
5. Perform any other duties delegated by the Board of Directors.
6. Evaluate the executive team's performance before obtaining an approval from the Board of Directors.

Remuneration

1. Consider and design remuneration criteria and policies for the Company's Board members, subcommittee members, and executives.
2. Consider essential and acceptable monetary and non-monetary remuneration for an individual director, taking into account duties, responsibilities, output, and benchmarks with similar organizations, as well as the director's expected contribution.
3. Publish the remuneration policies, remuneration in various formats, as well as the Nomination and Remuneration Committee Report, in the Annual Report.
4. Perform any other remuneration tasks delegated by the Company's Board of Directors.

The Nomination and Remuneration Committee is responsible for reporting its performance to the Board of Directors.

There were 3 members of the Risk Management Committee as of December 31, 2021 as follows:

Name		Position
1. Dr. Khammany	Inthirath	Chairman of the Risk and Governance Committee
2. Mr. David	Van Dau	Member of the Risk and Governance Committee
3. Mr. Nopadol	Intralib	Member of the Risk and Governance Committee

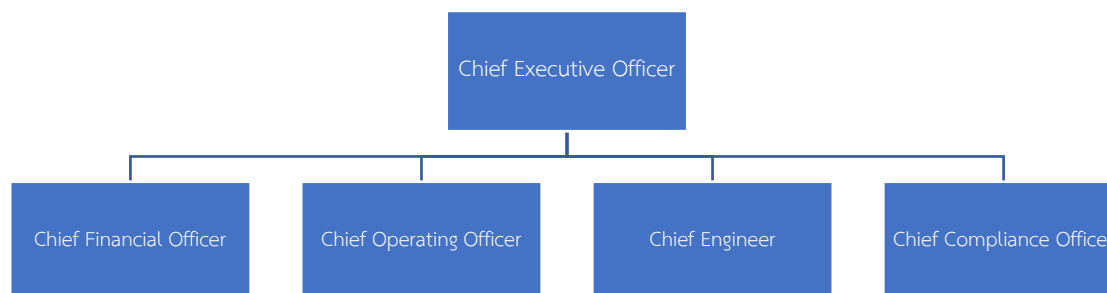
Scope of Authorities and Responsibilities of the Risk Management Committee

The Risk Management Committee establishes risk management policies that apply to the entire organization and ensures that risk management methods or procedures are in place to minimize impacts on the Company's operations. The following is the scope of authority and responsibility:

1. Appropriately and efficiently establish risk management policies and guidelines related to the Company's business operations.
2. Implement risk management policies and procedures across the organization.
3. Monitor and assess operations in accordance with risk management plans and procedures.
4. Carry out any other duties delegated by the Board of Directors.
5. Report the Risk Management Committee's performance for the Company's Board of Directors' approval, and include the Risk Management Committee's Report, signed by the Chairman of the Risk Management Committee, in the Company's Annual Report.

## 7.4 Executives

### 7.4.1 Members of the Executive Team



As at December 31, 2021, there were 5 executives of the Company in compliance with Definitions in Notifications of the Securities and Exchange Commission relating to issuance and offer for securities as follows:

Name	Position
1. Mr. David Van Dau	Chief Executive Officer
2. Ms. Somruedee Halilamien	Chief Financial Officer
3. Ms. Potida Ratanashodhi	Chief Operating Officer
4. Mr. Rassamee Youpanich	Chief Engineer
5. Ms. Patamakorn Buranasin	Chief Compliance Officer

Please see more detail in Attachment 1.

### 7.4.2 Remuneration Policy for the Management Team

#### (1) Monetary remuneration

- The Nomination and Remuneration Committee examines and consider the remuneration rate of the Chief Executive Officer and Executives as appropriate and in accordance with standards agreed upon in accordance with concrete criteria for the Company's best interest.
- The principles and rules established by the Board of Directors govern executive remuneration, which are connected to the Company's operating performance and each executive's individual performance. The Company has employed the Key Success Index (KPI) to analyze the performance of its executive team.
- Remuneration for Executive Directors comprises meeting allowance. Executive Director who is an executive of the Company and is paid a salary is not entitle for a meeting allowance. Executive remuneration consists of salaries, bonus, and additional benefits.

(2) **Other benefits** include provident fund contributions.

### 7.4.3 Total Remuneration for the Management Team

#### (1) Monetary remuneration

In 2021, the Company made remuneration payment for 8 executives totaling THB 11.70 million (for 5 current executives and 3 executives who resigned during the year) Remuneration for executives comprises of salary, bonus, and other benefits. The Company has adopted Key Performance Index (KPI) to evaluate work performance of executives.

#### (2) Other remuneration

In 2021, the Company made contributions to the provident fund for 2 executives (counting only executives who are members; 1 current executive and 1 executive who resigned during the year) totaling THB 204,240.

## 7.5 Employee Information

As at December 31, 2021, the Company had 52 salaried employees excluding executives and 15 daily employees in various lines of work as follows:

Department	Number of employees		
	31-Dec-21	31-Dec-20	31-Dec-19
1. Marketing	0	1	1
2. Management	15	20	32
3. Accounting and Finance	3	6	8
4. Operations			
4.1 Engineering			
- Engineering and Civil works	16	18	22
- System works	1	2	2
4.2 Foreman			
- Civil works	15	21	30
4.3 Site Administrative officer	2	2	1
4.4 Daily employees	15	14	169
<b>Total employees</b>	<b>67</b>	<b>84</b>	<b>265</b>



## Employee remuneration

Type of remuneration	Amount (THB million)	
	2021	2020
Salary and wages	43.14	43.85
Bonus	2.33	-
Provident fund contribution	1.26	1.49
Others*	1.65	5.75
<b>Total</b>	<b>48.38</b>	<b>51.09</b>

Note: \* Include social security fund contribution, overtime wages, and allowances.

## 7.6 Other Significant Information

### 7.6.1 Person in Charge of Accounting, Company Secretary, and Head of Internal Audit

Ms. Somruedee Halilamien was named Chief Financial Officer, with the highest level of responsibility in Accounting and Finance, and Miss Wimonrat Siribhumwant tokul was named Controller and Supervisor of the Company's Bookkeeping. Attachment 1 contains information on the executives' profiles.

The Company's Board of Directors appointed Ms. Somrudee Haleelamien as the Company Secretary on October 27, 2021. Qualifications of the Company Secretary are stated in Attachment 1.

Ms. Pattamakorn Buranasin was appointed as Chief Compliance Officer to regulate and oversee activities in accordance with the criteria established by the governmental agencies governing the Company's business conduct. Attachment 3 contains the qualifications of the Chief Compliance Officer.

In 2021, the Audit Committee nominated Dharmniti Audit Co., Ltd., an external firm, to serve as the Company's internal auditor. Dharmniti Audit Co., Ltd. appointed Ms. Somjaree Kaewkhomdee, Managing Director and Internal Audit Manager, to work as an internal auditor with the Company's internal audit unit. The outcomes of internal audits would be directly reported to the Audit Committee.

### 7.6.2 Investor Relations and Contact Information

The company has established an Investor Relations Department to handle communications with institutional investors, shareholders, analysts, and governmental agencies. Investors can obtain Company information by phone at 02-018-7190-8 or e-mail at [ir@psgcorp.co.th](mailto:ir@psgcorp.co.th).

### 7.6.3 Audit Fees

In 2021, the Company appointed Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's auditor for the 6.5<sup>th</sup> year with remuneration as follows:

#### **Audit fees**

Remuneration for the audit works in 2021 was as follows.

- THB 3,005,000 for the Company's auditor(s), plus THB 17,474 for additional expenses, for a total of THB 3,022,474, and
- None for the auditing firm that employs the auditor(s); or individuals and businesses associated to the auditor(s) and the accounting firm that employs the auditor(s).

#### **Non-audit fees**

-- None --

The Company's auditor(s) have the necessary credentials in accordance with Notifications of the Stock Exchange of Thailand and approval from The Securities and Exchange Commission. Furthermore, the auditors have no material link or gain or loss with the Company, subsidiary firms, executives, key shareholders, or anyone associated to the aforementioned persons, and are independent to audit and comment on the Company's financial report.

## 8. Corporate Governance Report

### 8.1 Summary of the Board of Directors Performance

#### 8.1.1 Nomination, Development, and Performance Evaluation of Directors

The selection, development and operating performance evaluation of the Board of Directors are important for good corporate governance of the Company. In this regard, the Company's Board has performed duties in compliance with the Board of Directors Charter in terms of selection, development and performance evaluation of the Board of Directors (Please refer to section 6.1.1 of this annual report). Duties of the Board of Directors can be summarized as follows:

1. Approve selection and nomination of directors and independent directors in succession of the resigned directors.
2. Approve the organization's structure and management structure to be in line with the operation.
3. Appoint the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee and the Risk and Governance Committee in succession of the resigned committee members.
4. Review Board of Directors Charter and Good Corporate Governance policy.
5. Evaluate performance of Sub-Committees and top executives of the organization.

#### 8.1.2 Meeting Attendance and Individual Remuneration

In 2021, the information of the meeting attendance of the Company's Board of Directors and Sub-committees is stated as follows:

Name		Meeting Attendance				
		BoD (11 Meetings)	AC (6 Meetings)	RMC (2 Meetings)	NRC (2 Meetings)	ExCom (2 Meetings)
Mr. Van	Hoang Dau <sup>1</sup>	4/11				
Mr. David	Van Dau <sup>1</sup>	4/11			1/2	
Pol. Gen. Chaiwat	Getvorachai <sup>1</sup>	4/11	1/6			
Mr. Prapas	Vichakul <sup>2</sup>	3/11	1/6			
Dr. Khammany	Inthirat <sup>2</sup>	3/11	1/6			
Dr. Souphan	Keomixay <sup>2</sup>	3/11			1/2	
Dr. Damp	Sukontasap <sup>4</sup>	9/11	6/6	2/2	-	-
Mr. Nopadol	Intralib <sup>3</sup>	2/11				
Mr. Dhana	Bubphavanich <sup>1</sup>	4/11				
Dr. Chaiyod	Chirabowornkul <sup>1</sup>	4/11				

Name		Meeting Attendance				
		BoD (11 Meetings)	AC (6 Meetings)	RMC (2 Meetings)	NRC (2 Meetings)	ExCom (2 Meetings)
Directors resigned during the year						
Mr. Prasit	Chongussayakul	6/11	-	2/2	1/2	-
Mr. Pitsanu	Vichitcholchai	6/11	-	-	-	2/2
Mr. Tradsin	Chongussayakul	8/11	-	-	-	2/2
Mr. Thanadech	Mahapokhai	6/11	-	-	-	2/2
Ms. Pathamakorn	Buranasin	7/11	-	-	-	2/2
Mr. Nontawat	Dhanasuwiwat	6/11	-	-	-	-
Mr. Udom	Chatsirikul	6/11	5/6	1/2	1/2	-
Mr. Charnchai	Suwisuthakul	7/11	5/6	2/2	1/2	-
Mr. Chatree	Warawanitchanant	7/11	5/6	-	-	-

Note:

- <sup>1</sup> Being appointed by the resolution of the Company's Board of Directors Meeting No. 7/2021 on October 27, 2021 in succession of the resigned director(s).
- <sup>2</sup> Being appointed by the resolution of the Company's Board of Directors Meeting No. 8/2021 on October 27, 2021 in succession of the resigned director(s).
- <sup>3</sup> Being appointed as the Company's Board and Member of the Nomination and Remuneration Committee by the resolution of the Company's Board of Directors Meeting No. 9/2021 as at November 9, 2021 in succession of the resigned director, Mr. Chaiyod Chirabowornkul.
- <sup>4</sup> Resigned from the position on October 27, 2021 and being appointed to resume the position by the resolution of the Company's Board of Directors Meeting No. 9/2021 on November 9, 2021 in succession of the resigned director(s).

Remuneration for non-executive directors mainly comprised meeting allowances. In 2021, the monetary Remuneration, which is the Board of Directors' meeting allowance, amounted to THB 4,271,000, with the following details:

Name		Meeting Allowances*				
		BoD	AC	RMC	NRC	ExCom**
Mr. Van	Hoang Dau <sup>1</sup>	180,000	-	-	-	-
Mr. David	Van Dau <sup>1</sup>	140,000	-	-	14,000	-
Pol. Gen. Chaiwat	Getvorachai <sup>1</sup>	140,000	25,000	-	-	-
Mr. Prapas	Vichakul <sup>2</sup>	105,000	20,000	-	-	-
Dr. Khammany	Inthirath <sup>2</sup>	105,000	20,000	-	-	-
Dr. Souphanh	Keomixay <sup>2</sup>	105,000	-	-	14,000	-
Dr. Darmp	Sukontasap <sup>4</sup>	315,000	120,000	28,000	-	-
Mr. Nopadol	Intralib <sup>3</sup>	70,000	-	-	-	-
Mr. Dhana	Bubphavanich <sup>1</sup>	140,000	-	-	-	-
Dr. Chaiyod	Chirabowornkul <sup>1</sup>	140,000	-	-	-	-
Directors who resigned during the year						
Mr. Prasit	Chongussayakul	270,000	-	28,000	14,000	-
Mr. Pitsanu	Vichitcholchai	210,000	-	-	-	-
Mr. Tradsin	Chongussayakul	280,000	-	-	-	-
Mr. Thanadech	Mahapokhai	210,000	-	-	-	28,000

Name	Meeting Allowances*				
	BoD	AC	RMC	NRC	ExCom**
Ms. Pathamakorn Buranasin	245,000	-	-	-	-
Mr. Nontawat Dhanasuwiwat	210,000	-	-	-	-
Mr. Udom Chatsirikul	210,000	125,000	14,000	14,000	-
Mr. Charnchai Suwisuthakul	245,000	100,000	28,000	14,000	-
Mr. Chatree Warawanitchanant	245,000	100,000	-	-	-
<b>Total</b>	<b>3,565,000</b>	<b>510,000</b>	<b>98,000</b>	<b>70,000</b>	<b>28,000</b>

Note

<sup>1</sup> Being appointed by the resolution of the Company's Board of Directors Meeting No. 7/2021 on October 27, 2021 in succession of the resigned director(s)

<sup>2</sup> Being appointed by the resolution of the Company's Board of Directors Meeting No. 8/2021 on October 27, 2021 in succession of the resigned director(s)

<sup>3</sup> Being appointed as the Company's Board and Member of the Nomination and Remuneration Committee by the resolution of the Company's Board of Directors Meeting No. 9/2021 on November 9, 2021 to replace the resigned director, Mr. Chaiyod Chirabowornkul

<sup>4</sup> Resigned from the position on October 27, 2021 and being appointed to resume the position by the resolution of the Company's Board of Directors Meeting No. 9/2021 on November 9, 2021 in succession of the resigned director(s)

\* Meeting allowance paid only for director (s) attending the meeting

\*\* Meeting allowance paid only for non-executive directors

### 8.1.3 Corporate Governance of Subsidiary and Associated Company

As at December 31, 2021, the Company did not have any investment in subsidiaries or associated companies.

### 8.1.4 Enforcement of Corporate Governance Policies and Guidelines

The Company recognizes the importance of good corporate governance and has set policies and relevant practice guidelines in the Company's Corporate Governance policy and business code of conduct. There is also an enforcement to ensure real practices so as to create trust from all groups of stakeholders.

Moreover, the Company will continue to monitor and ensure compliance on 4 key issues related to Corporate Governance:

#### Prevention of Conflict of Interest

The Company has established the policy requiring the Board of Directors, executives, and employees to carry out their responsibilities to the best of their abilities for the benefit of the Company. If there are individuals who stand to earn or lose money as a result of the transaction under consideration, they must acknowledge the person in charge and refrain from participating in the decision-making process.

In the previous year, the Company examined cases which might incur conflicts of interest. The internal auditor examined the Company's transactions with business partners

exceeding THB 1.0 million and found out that there were no transactions connected to the Board of Directors, Executives, and employees of the Company.

### **Supervision on the Use of Inside Information**

The Company has a clear policy forbidding the use of inside knowledge for personal gain as well as the use of information for trading in the Company's securities. Directors, executives, and units who are exposed to internal information are not allowed to trade in the Company's securities for 30 days prior to the announcement of operating results, but are permitted to do so one working day after the announcement. Furthermore, they are prohibited from dealing with the Company's securities based on the Company's non-public information.

In the previous year, directors and executives were not found trading shares during the window closure period.

### **Anti-Corruption**

The Company has enforced the anti-corruption and bribery policy as follows:

- The Company has instructed employees at all levels, including directors and executives, to strictly follow all procedures within the boundaries of the law. Any errors in work execution caused by carelessness or neglect must be penalized under applicable laws.
- The Company has established mechanisms for reporting any suspected violations, fraud, or corruption, as well as safeguards to protect informers.

Details of the Company's anti-corruption policy and implementation to avoid any transactions involving corruption and bribery are available on the Company's website, [www.psgcorp.co.th](http://www.psgcorp.co.th), under the title Corporate Governance.

### **Whistleblowing**

The Company has established methods for stakeholders to report and file grievances via e-mail and phone. In the event of a complaint, an independent investigative committee will be formed to look into the problem. Such an independent committee will be independent of management in order to assess the aforementioned issues/complaints.

There were no reports or complaints about corruption or violations of corporate governance guidelines in the previous year.

## 8.2 Performance of the Audit Committee

### 8.2.1 Meeting Attendance

Please see detail in 8.1.2 Meeting Attendance.

### 8.2.2 Performance of the Audit Committee

Please refer to the Audit Committee's Report in Attachment 6.

## 8.3 Performances of Other Sub-committees

### 8.3.1 Meeting Attendance

Please see detail in 8.1.2 Meeting Attendance.

### 8.3.2 Performances of Other Sub-committees

#### Nomination and Remuneration Committee

In 2021, the Nomination and Remuneration Committee arranged a total of 2 meetings and all members of the Committee attended both meetings. The performance could be summarized as below:

1. Review the remunerations for the Board of Directors and the Chief Executive Officer. Make recommendations for the Board of Directors and the Chief Executive Officer's remuneration structure.
2. Identify and suggest eligible candidates to fill the director post left vacant by the directors who retired by rotation or gave notice of intent to resign.
3. Make suggestions to the Board of Directors regarding the organization of the Board of Directors and Sub-committees of the Company.
4. Create a succession plan and make recommendations for finding successors in top executive positions.
5. Improve the annual performance evaluation form for the Board of Directors and provide an individual performance result for each director, as well as the overall performance result.

#### Risk Management Committee

In 2021, the Risk Management Committee scheduled two meetings, both of which were attended by the majority of the Committee and created a quorum. The Committee's operational performance is summarized below:

1. Establish the policy and make recommendations on various risk management guidelines related to the Company's business operations in order to achieve efficiency and effectiveness.
2. Implement a risk management plans and procedures throughout the organization.
3. Monitor and evaluate operating performance across the Company in accordance with the scope of risk management.



## 9. Internal Control and Connected Transactions

### 9.1 Internal Control

#### Opinion of the Board of Directors on Internal Control System

The Company's Board of Directors values proper internal control to ensure operational efficiency and effectiveness, accountability, and compliance with applicable laws and regulations. To develop the internal control system for the Company's operational benefit and in accordance with good corporate governance principles, the Company hired an external firm specializing in providing internal audit services to conduct an internal audit and provide advice on improving, developing, and increasing the efficiency of Company's internal control system. By collaborating with an external firm, the Company has built an internal audit unit to monitor and develop work systems to verify that practices follow the Company's requirements and regulations.

The Management assigned an external firm to make an internal audit in collaboration with Company's internal audit unit to conduct an audit and evaluate the adequacy and applicability of the internal control system. The Audit Committee was tasked with reviewing and evaluating the Company's internal audit system and presenting its findings to the Board of Directors.

#### 9.1.1 Adequacy and Suitability of Internal Control System

In 2021, the Audit Committee engaged Dharmniti Internal Audit Co.,Ltd., an external firm, to serve as the Company's internal auditor. Ms. Somjaree Kaewkormdee, Managing Director and Internal Audit Manager of Dharmniti Internal Audit Co., Ltd., has been appointed as an internal auditor working with the Company's internal audit unit. The outcomes of Internal audits will be directly reported to the Audit Committee. The Company has established an evaluation based on COSO's international criteria, which includes the following 5 compositions.

##### (1) Control Environment

1. The organization adheres to the principles of integrity and virtues.
2. The Board of Directors is independent of the executives and is in charge of reviewing and developing the performance of internal audits.
3. The executives have established a chain of command in order to transfer appropriate levels of authority and responsibility so that the organization can fulfill its objectives while being overseen by the Board of Directors.
4. The organization is dedicated to encouraging, developing, and retaining people with excellent knowledge and abilities.

5. In order to achieve the organization's goals, the personnel roles and duties in internal control have been defined.

**(2) Risk Assessment**

6. The organization has set explicit objectives to identify and assess the risks to the achievement of the business's goals.
7. The organization has identified and investigated all types of risks that could affect the attainment of organizational goals.
8. In order to achieve the business goal, the Company has included the likelihood of corruption manifesting itself in risk factors.
9. The organization is capable of identifying and evaluating changes that may affect the internal control system.

**(3) Control Activities**

10. The Company has implemented control measures to decrease the risks of failing to reach its goals at an acceptable level.
11. To aid in the achievement of objectives, the Company has selected and created broad internal control activities utilizing a technology system.
12. To ensure that the specified policies are executed in practice, the Company has created the control activities policy by outlining expectations and operational procedures.

**(4) Information and Communication**

13. The Company has appropriate and high-quality resources to support and develop internal control so that it can function properly.
14. The Company has shared information throughout the organization, including objectives and accountability, allowing internal control to function as intended.
15. The Company has communicated to external work units issues that may have an impact on internal control.

**(5) Monitoring Activities**

16. The Company has monitored and evaluated internal control outcomes to ensure that internal controls are carried out completely and correctly.
17. The Company investigated and disclosed the shortcomings of the internal control system to those in power, including top executives and the Board of Directors, as soon as possible.

### **9.1.2 Internal Control System Defect and Correction**

An external audit of the Company's internal control system revealed no defect.

### 9.1.3 Opinions of the Audit Committee in Case They Are Different from the Company's Board of Directors' or the Auditor's

Members of the Audit Committee who are independent directors attended the Board of Directors Meeting no. 1/2565 on February 23, 2022. The Company's Board of Directors were acknowledged on the Internal Audit Report 2021, which passed the Audit Committee review, and was examined, reviewed, and evaluated by Dharmniti Internal Audit Co.,Ltd., an external firm in charge of the Company's Internal Auditor function. The Board of Directors and the Audit Committee agreed that the Company had good internal control, adequate and suitable for business operation, based on the sufficiency evaluation of the internal control system for the year 2021. In addition, the Company implemented the ISO 9001:2015 quality management system, which benefited the internal control system by introducing clarity, transparency, systematic work standard, and accountability. This also assured that the Company's risk management was at an adequate level through continuous risk management and corporate governance.

### 9.1.4 Information of Head of Internal Control and Head of Compliance

In 2021, the Board of Directors appointed Dharmniti Internal Audit Co.,Ltd., an external firm, to serve as the Company's internal auditor. Ms. Somjaree Kaewkormdee, Managing Director and Internal Audit Manager, was appointed as the Company's internal auditor following a screening procedure by the Audit Committee. She is a Certified Professional Internal Auditor of Thailand (CPIAT) from the Institute of Internal Auditors Thailand and has worked in internal audit in a comparable firm and industry. The Audit Committee reviewed and determined that the internal auditor was adequately qualified to perform duties as the primary person in charge of examining, reviewing, and assessing the Company's internal control system (For more information, please see the internal auditor's profile in Attachment 3).

Furthermore, the Company appointed Mr. Chaisak Naosuwan as its in-house internal auditor to perform duties such as overseeing and managing all stages of work operations in compliance with internal control and risk management (for more information, please refer to profile of internal auditor in Attachment 3).

## 9.2 Connected Transactions

The Company recognizes and values sound corporate governance and has established a connected transactions policy that includes the scope of connected transactions, definitions of persons involved in connected transactions, transaction size, and execution guidelines, as well as information disclosure in accordance with the laws and regulations of The Stock Exchange of Thailand and The Securities and Exchange Commission, as well as Notice of Capital Market Supervisory Board Tor Jor. 21/2552 on connected transaction.

### 9.2.1 Persons with Potential Conflicts of Interest with the Company

There were three connected transactions between the Company and the connected parties in 2020-2021, as follows:

Person/ Juristic Person	Relationship	Nature of transaction	Amount		Necessity/Reason
			2021	2020	
Transaction 1 Phonesack Group Co., Ltd.	Relationship with the Chairman of the Board	Applications for Visa, Work Permit, Stay Permit, as well as hotel booking.	70,631	-	To prepare for the XPPL Expansion Phase 1 Project bidding, the Company required to assign staff to examine the site and negotiate terms and conditions with project owners, which was an urgent errand.
Transaction 2 The White Space Limited	Relationship with directors	Procurement of mobile phone numbers and services for management team in November 2021.	21,000	-	One-time transaction, no future continuity.
Transaction 3 Master Car Rental Co., Ltd. <sup>1</sup>	Relationship with a director	Car rental.	142,952	-	Contract was signed prior to the changing of the entire Board of Directors.

Note: <sup>1</sup>Considered a connected transaction from October 27, 2021, onwards.

### 9.2.2 Necessities and Reasonableness of Connected Transactions

In order to maximize the Company's benefits, the Company entered into a few connected transactions. According to the Audit Committee, they were transactions that supported the normal course of business under normal commercial terms. They were reasonable and did not result in a transfer of benefits. The following are specifics on relevant transactions that took place in 2021.

- The Company requested that Phonesack Group Co., Ltd. accelerate the deployment of personnel to investigate the site for project bidding. Some expenses, such as visa application, work permit, and hotel reservation fees, were incurred as a result of work collaboration with Lao People's Democratic Republic work agencies. These were transactions to support the normal course of business, and the rates were appropriate and reasonable in comparison to the service costs of other operators.

- Executives were given mobile phone numbers and services by White Space Limited. The prices were the same for all customers. Furthermore, this transaction was one-time, with no further continuation.
- The Company has held a car rental contract with Master Car Rental Company Limited since the beginning of 2021, notwithstanding changes in shareholders, management, and the Board of Directors. This deal was viewed as beneficial to normal business operations. In addition, the fee was the regular customer rate.

### 9.2.3 Measures or Procedures for Connected Transactions Approval

If the Company or a subsidiary company executes related transactions with individuals who may have a conflict of interest, have gain and loss, or may have a conflict of interest in the future, the Company has established the following transaction approval guidelines.

1. Determine whether the transaction involves the Company and/or a subsidiary company, as well as companies/persons who may have a conflict of interest or gain and loss under the Securities and Exchange Commission's definition of connected persons.
2. In the event of a connected transaction, compute the transaction size and compare the result to the Company's net tangible asset (NTA) to establish the type of connected transaction in accordance with SEC laws and regulations. There are five types of connected transactions: 1) ordinary business transactions, 2) ordinary business support transactions, 3) real estate rental transactions for a period of no more than three years, 4) transactions relating to assets or services, and 5) transactions providing or receiving financial assistance.
3. In the case of ordinary business and ordinary business support transactions, the Board of Directors provides its consent in principle by setting a framework for the executives to follow. The transactions must be carried out under normal commercial terms, including a reasonable price, and must not result in the transfer of benefits. Quarterly, the executives must present a report summarizing the transactions for the Audit Committee and Board of Directors' consideration and acknowledgement.
4. If connected transactions other than those listed occur, the Company will proceed in line with the connected transaction approval methods and procedures, taking into account the benefit to the Company as if at arm's length. These steps are taken to ensure transparency, avoid conflicts of interest, and provide the greatest benefit to the Company and shareholders by considering the size of transactions and authorities in accordance with Securities and Exchange Commission rules and

regulations, as well as requesting comments from the Audit Committee on the necessity and suitability of those transactions. If the Audit Committee lacks expertise in considering potential connected transactions, the Company will engage an independent specialist or the Company's auditor to provide opinions on the connected transactions that will be used as a basis for decision-making by the Board of Directors or shareholders, as appropriate. Directors who have a gain or loss from connected transactions will be unable to approve or vote on relevant connected transactions.

#### **9.2.4 Policy or Potential Connected Transactions**

The Company anticipates that future connected transactions will be regular business transactions and has established a pricing policy to govern them in accordance with standard commercial terms and norms. The Company must follow the measures and procedures for connected transaction approval. The Audit Committee will render recommendations on the necessity and appropriateness of such transactions. If the Audit Committee lacks expertise in considering potential connected transactions, the Company will engage an independent specialist or the Company's auditor to provide opinions on the connected transactions, which will be used as a basis for decision-making by the Board of Directors or shareholders, as applicable.

The Company has a policy of rigorously adhering to laws and regulations, as well as notifications from the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as accounting standards as specified by the Thai Association of Accountants and Auditors. Disclosure of associated transactions will be made in the note to the financial statements of the financial report, which is audited and verified by the Company's auditor, as well as in the Company's annual report. Furthermore, the Company has no policy in place to use representative(s) to undertake any acts in place of the Company in a non-transparent manner.

# Part 3

## Financial Statements

## Report of the Board of Directors' Responsibilities for Financial Reports

The Company's Board of Directors is responsible for preparing the consolidated financial statement, which presents the Company's financial position and operating performance for the fiscal year 2021 in accordance with legislative requirements and financial reporting standards. The Board of Directors acknowledges roles and obligations as a committee of a publicly traded company; to be accountable for the Company's financial report as well as financial information appearing on the Annual Report 2021. The financial report was prepared in accordance with general accounting standards by using relevant accounting policies that were constantly followed. In drafting the Company's financial report, discretion was used prudently and properly. To the benefit of shareholders and investors, adequate disclosures of relevant information were made transparently in the Notes to the Financial Statement.

Furthermore, the Board of Directors has established and maintained an effective risk management system and internal control system, allowing it to be reasonably confident that the Company's accounting information is accurate and sufficient to maintain the Company's assets and prevent corruption or significant irregularities.

In this regard, the Audit Committee, comprised of independent directors, has been constituted by the Company's Board of Directors to assess the quality of financial reporting and the adequacy of the internal control system. The Audit Committee's views on these issues are conveyed in the Audit Committee report included in the Annual Report.

The Board of Directors believes that the Company's overall internal control system is satisfactory and should inspire reasonable confidence that the consolidated financial statement for the fiscal year ending December 31, 2021, financial position, operating results, and cash flows were developed correctly in accordance with the financial reporting standard.

Mr. Van Hoang Dau

Chairman of the Board of Directors

Mr. David Van Dau

Chief Executive Officer



## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
PSG CORPORATION PUBLIC COMPANY LIMITED  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)

### Opinion

We have audited the financial statements of PSG Corporation Public Company Limited (formerly T Engineering Corporation Public Company Limited) (the “Company”), which comprise the statement of financial position as at December 31, 2021, and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PSG Corporation Public Company Limited (formerly T Engineering Corporation Public Company Limited) as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

### Basis for Opinion

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

### Emphasis of Matters

We draw attention to Notes 39.2 and 39.3.2 to the financial statements, the Company has 3 litigations which are currently under the process of the courts. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Audit Responses
<p><b>Recognition of revenues from construction contracts and estimating costs of construction</b></p> <p>The Company has revenues from construction contracts which are recognized when the Company satisfies a performance obligation according to the contract over time by transferring control of asset from construction to a customer based on input method which is calculated from the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management is required to make significant judgments in the estimation of the construction project costs.</p> <p>Therefore, the key audit matter is the accuracy and occurrence of calculation and recognition of revenues from construction contracts over time based on input method and the accuracy of recognition of total relevant costs of construction.</p> <p>Accounting policies for recognition of revenues from construction contracts and costs of construction contract were disclosed in Note 3.15 to the financial statements and details of revenues from construction contracts and costs of construction contracts were disclosed in Note 32 to the financial statements.</p>	<p>Key audit procedures included:</p> <p>Understanding the revenue recognition process and internal control related to the estimation of total costs of construction, calculation and recognition of revenues from construction contracts over time based on input method which is calculated from the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.</p> <p>Testing design and implementation and operating effectiveness of the internal control relating to the estimation of total costs of construction, calculation and recognition of revenues from construction contracts over time based on input method.</p> <p>Performing substantive testing as follows:</p> <p>Testing terms and condition of the construction contract, testing supporting documents and assumptions used in the estimation of total costs of construction.</p> <p>Testing calculation of revenues from construction contracts based on input method and performing an analysis of proportion of significant components of costs of construction contracts and the estimation of total costs of construction.</p> <p>Observing at sites of the construction projects to consider the progress of the construction projects against the progress as reported in the construction progress report.</p> <p>Testing costs of construction incurred during the year and near the year end with supporting documents.</p>

### Other Information

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

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

In connection with our audit of the financial statements, our 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

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

Kornthong Luangvilai

Certified Public Accountant (Thailand)

BANGKOK

Registration No. 7210

February 23, 2022

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

		Unit : Baht		
		Notes	2021	2020
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	4.3		1,061,092,029	19,070,594
Trade and other current receivables	5		4,163,968	14,584,896
Current contract assets	32		11,740,174	3,028,940
Current tax assets			496,680	2,788,463
Other current financial assets	6		-	4,466,080
Other current assets	7		1,085,299	29,567,888
Total Current Assets			1,078,578,150	73,506,861
<b>NON-CURRENT ASSETS</b>				
Deposits at financial institution with restriction of use	8		18,191,500	15,861,500
Other non-current financial assets	9		32,810,530	28,378,100
Trade and other non-current receivables	10		2,351,620	2,298,307
Non-current contract assets	11		-	-
Investment properties	12		66,876,000	60,248,000
Property, plant and equipment	13		20,208,789	19,193,481
Right-of-use assets			2,346,468	78,332
Retention receivables	14		13,836,437	36,919,510
Intangible assets	15		1,449,568	2,328,638
Other non-current assets	16		54,898,276	49,351,915
Total Non-current Assets			212,969,188	214,657,783
<b>TOTAL ASSETS</b>			<b>1,291,547,338</b>	<b>288,164,644</b>

Notes to the financial statements form an integral part of these statements.

**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2021**

		Unit : Baht	
	Notes	2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other current payables	17	26,269,561	45,914,640
Current contract liabilities	32	-	-
Current portion of lease liabilities	18	733,311	79,842
Other short-term borrowing	19	12,235,690	12,235,690
Current retention payables		11,576,381	22,340,442
Provision for expected loss on construction contract	21.1	482,579	-
Provision for penalty arising from delay on construction contract	21.2	837,000	-
Current provisions for employee benefits	24	-	813,204
Other current provisions	20	772,020	2,514,145
Other current liabilities	22	10,595,635	11,016,394
Total Current Liabilities		63,502,177	94,914,357
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	18	1,675,977	-
Non-current retention payables		7,912,633	13,191,110
Deferred tax liabilities	23	5,023,935	3,804,335
Non-current provisions for employee benefits	24	5,487,938	5,886,382
Provisions for loss on litigations	39	7,603,230	7,612,789
Total Non-current Liabilities		27,703,713	30,494,616
<b>TOTAL LIABILITIES</b>		<b>91,205,890</b>	<b>125,408,973</b>

**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2021**

			Unit : Baht
	Notes	2021	2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>			
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	26		
Authorized share capital			
64,992,438,156 ordinary shares of Baht 1 each		64,992,438,156	
12,826,431,971 ordinary shares of Baht 1 each			12,826,431,971
Issued and paid-up share capital			
64,992,438,156 ordinary shares of Baht 1 each, fully paid		64,992,438,156	-
10,948,438,156 ordinary shares of Baht 1 each, fully paid		-	10,948,438,156
Discount on ordinary shares	27	(62,272,362,796)	(9,309,242,796)
Expired warrant surplus	28	7,859,252	7,859,252
Retained earnings (Deficit)			
Appropriated			
Legal reserve	30	5,526,839	5,526,839
Unappropriated (Deficit)		(1,546,748,469)	(1,478,455,352)
Other components of shareholders' equity		13,628,466	(11,370,428)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,200,341,448</b>	<b>162,755,671</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,291,547,338</b>	<b>288,164,644</b>

Notes to the financial statements form an integral part of these statements.

**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Unit : Baht

	Notes	2021	2020
Revenues from construction contracts	32	18,493,885	60,807,797
Cost of construction contracts	32	(20,031,681)	(52,277,119)
<b>Gross profit (loss)</b>		<u>(1,537,796)</u>	<u>8,530,678</u>
Other income	33	26,088,220	19,488,970
Administrative expenses	34	(84,663,407)	(110,331,984)
Reversal of allowance for doubtful accounts	34	-	1,028,188
Reversal of provisions for loss on litigations	39	-	31,253,556
Other gains	6	-	2,072,604
<b>Loss from operating activities</b>		<u>(60,112,983)</u>	<u>(47,957,988)</u>
Finance costs		(1,734,247)	(406,421)
Reversal of expected credit loss determined in accordance with TFRS 9	10, 11, 14 and 34	43,822	25,693,523
<b>Loss before income tax expense</b>		<u>(61,803,408)</u>	<u>(22,670,886)</u>
Income tax expense	23	(1,325,600)	-
<b>Loss for the years</b>		<u>(63,129,008)</u>	<u>(22,670,886)</u>
<b>Other comprehensive income (loss)</b>			
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains on investment in equity instruments designated at fair value through other comprehensive income	9	19,297,090	3,123,660
Losses on revaluation of assets	13	(530,000)	-
Gains on remeasurements of defined benefit plans	24	961,695	357,721
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	23	106,000	-
Total components of other comprehensive income that will not be reclassified to profit or loss		<u>19,834,785</u>	<u>3,481,381</u>
Other comprehensive income for the years - net of tax		<u>19,834,785</u>	<u>3,481,381</u>
<b>Total comprehensive loss for the years</b>		<u>(43,294,223)</u>	<u>(19,189,505)</u>



**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Unit : Baht

	Notes	2021	2020
<b>Basic losses per share</b>			
Basic losses per share (Baht)	29	(0.0030)	(0.0021)
Weighted average number of ordinary shares	29	<u>20,868,843,635</u>	<u>10,615,949,085</u>
<b>Diluted losses per share</b>			
Diluted losses per share (Baht)	29	(0.0030)	(0.0021)
Diluted weighted average number of ordinary shares	29	<u>20,868,843,635</u>	<u>10,615,949,085</u>

Notes to the financial statements form an integral part of these statements.

PSG CORPORATION PUBLIC COMPANY LIMITED  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	Issued and paid-up share capital	Share discount on ordinary shares	Expired warrant surplus	Retained earnings (Deficit)		Other components of shareholders' equity			Total Shareholders' equity
					Appropriated legal reserve	Unappropriated (Deficit)	Gain on revaluation of assets	Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	Total other components of shareholders' equity	
Balances as at January 1, 2020		10,114,938,156	(8,500,747,796)	7,859,252	5,526,839	(1,456,142,187)	15,217,339	(29,711,427)	(14,494,088)	156,940,176
Changes in shareholders' equity										
Increase in ordinary shares	26	833,500,000	(808,495,000)	-	-	-	-	-	-	25,005,000
Gains on remeasurements of defined benefit plans	24	-	-	-	-	357,721	-	-	-	357,721
Total comprehensive income (loss) for the year		-	-	-	-	(22,670,886)	-	3,123,660	3,123,660	(19,547,226)
Balances as at December 31, 2020		10,948,438,156	(9,309,242,796)	7,859,252	5,526,839	(1,478,455,352)	15,217,339	(26,587,767)	(11,370,428)	162,755,671
Balances as at January 1, 2021		10,948,438,156	(9,309,242,796)	7,859,252	5,526,839	(1,478,455,352)	15,217,339	(26,587,767)	(11,370,428)	162,755,671
Changes in shareholders' equity										
Increase in ordinary shares	26	54,044,000,000	(52,963,120,000)	-	-	-	-	-	-	1,080,880,000
Surplus on revaluation of assets	13	-	-	-	-	-	(424,000)	-	(424,000)	(424,000)
Gains on remeasurements of defined benefit plans	24	-	-	-	-	961,695	-	-	-	961,695
Transfer of loss on measuring financial assets upon disposal of investments in equity instruments designated as at FVTOCI	9	-	-	-	-	(6,125,804)	-	6,125,804	6,125,804	-
Total comprehensive income (loss) for the year		-	-	-	-	(63,129,008)	-	19,297,090	19,297,090	(43,831,918)
Balances as at December 31, 2021		64,992,438,156	(62,272,362,796)	7,859,252	5,526,839	(1,546,748,469)	14,793,339	(1,164,873)	13,628,466	1,200,341,448

Unit : Baht

Notes to the financial statements form an integral part of these statements

**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Notes	2021	2020
<b>Unit : Baht</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the years		(63,129,008)	(22,670,886)
Adjustments :			
Income tax expense		1,325,600	-
Finance costs		1,734,247	406,421
Depreciation and amortization expenses		3,458,283	5,515,251
Employee benefit expenses		481,140	1,883,760
Provision for expected loss on construction contract		482,579	-
Provision for penalty arising from delay on construction contract		837,000	-
Reversal of provisions for loss on litigations		-	(31,253,556)
Other current provisions		10,341	1,121,867
Written-off financial assets		61,433	15,089,495
Written-off guarantee		205,188	-
Reversal of impairment loss in accordance with TFRS 9 which recognized in profit or loss		(43,822)	(25,693,523)
Reversal of allowance for impairment - withholding tax		-	(1,028,188)
Written-off investment in joint arrangement		-	510,000
Reversal of impairment loss of investment in joint arrangement		-	(510,000)
Reversal of trade and other payables		(4,705,618)	(4,836,456)
Reversal of retention payables		(1,733,575)	(6,465,182)
Gain on revaluation of assets		(6,628,000)	-
Loss on write-off of equipment		14,758	511,679
Gain on financial assets mandatorily measured at fair value through profit or loss		-	(2,072,604)
Gain on sales of financial assets mandatorily measured at fair value through profit or loss		-	(2,891,921)
Reversal of accrued interest income		-	187,611
Dividend income		-	(3,299,740)
Interest income		(268,039)	(281,426)
		<u>(67,897,493)</u>	<u>(75,777,398)</u>

**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Notes	2021	2020
<b>Unit : Baht</b>			
Operating assets (increase) decrease			
Current investments		-	5,373,720
Trade and other current receivables		10,432,107	(10,999,871)
Current contract assets		(8,711,234)	53,588,369
Inventories		-	418,500
Other current financial assets		4,466,080	498,445
Other current assets		2,761,992	(25,224,440)
Deposits at financial institution with restriction of use		(2,330,000)	240,990,000
Trade and other non-current receivables		(70,924)	16,156,102
Retention receivables		23,083,073	33,013,447
Other non-current assets		(2,963,086)	28,368,570
Operating liabilities increase (decrease)			
Trade and other current payables		(15,467,507)	(147,520,538)
Current contract liabilities		-	(19,501,700)
Current retention payables		(10,627,757)	(3,058,336)
Provision for dismantling and removal of leasehold improvement		-	(533,125)
Other current provisions		(1,752,466)	(2,336,196)
Other current liabilities		(420,759)	(882,074)
Non-current retention payables		(3,681,206)	(822,133)
Provision for employee benefits paid during the year		(731,093)	(4,333,490)
Provision for loss on litigations		(9,559)	(138,377,818)
Net cash flows used in operation		(73,919,832)	(50,959,966)
Cash received from interest		256,860	820,269
Cash paid for income tax		(496,680)	(2,788,463)
Cash received from income tax refund		25,720,597	-
Net cash flows used in operating activities		(48,439,055)	(52,928,160)

**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		Unit : Baht	
	Notes	2021	2020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash received from sales of financial assets mandatorily measured at fair value through other comprehensive income		14,864,660	-
Dividend income		-	3,299,740
Payment for purchase of building improvements and equipment		(3,363,350)	(496,253)
Net cash flows provided by investing activities		<u>11,501,310</u>	<u>2,803,487</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received from long-term borrowing from financial institution	4.2	30,000,000	-
Repayment for long-term borrowing from financial institution	4.2	(30,000,000)	-
Repayments for lease liabilities	4.2	(714,619)	(577,492)
Proceeds from increase in ordinary shares		1,080,880,000	25,005,000
Interest paid for lease liabilities		(152,617)	(29,672)
Cash paid for interest expenses		(1,053,584)	-
Net cash flows provided by financing activities		<u>1,078,959,180</u>	<u>24,397,836</u>
Net increase (decrease) in cash and cash equivalents		1,042,021,435	(25,726,837)
Cash and cash equivalents as at January 1,		<u>19,070,594</u>	<u>44,797,431</u>
<b>Cash and cash equivalents as at December 31,</b>		<u><b>1,061,092,029</b></u>	<u><b>19,070,594</b></u>

Notes to the financial statements form an integral part of these statements.

**PSG CORPORATION PUBLIC COMPANY LIMITED**  
(FORMERLY T ENGINEERING CORPORATION PUBLIC COMPANY LIMITED)  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. GENERAL INFORMATION OF THE COMPANY AND GOING CONCERN**

PSG Corporation Public Company Limited (Formerly T Engineering Corporation Public Company Limited) (the “Company”) was incorporated in Thailand under the Civil and Commercial Code on April 10, 1981 and engages as a plant and building construction and other related services.

On July 14, 2005, the Company was registered under the Public Limited Company Act. On September 28, 2006, the Company was listed in the Market for Alternative Investment (“MAI”) on the Stock Exchange of Thailand.

On October 12, 2021, the Extraordinary General Shareholders’ Meeting passed the resolutions to approve change the name of the Company from “T Engineering Corporation Public Company Limited” to “PSG Corporation Public Company Limited” which registered changing of the name of the Company with the Department of Business Development on October 27, 2021.

As at December 31, 2021, the registered office of the Company is located at 242 and 244 Krung Thonburi Road, Klong Ton Sai, Khlong San District, Bangkok.

Going Concern

As at December 31, 2021, the Company had substantial deficit of Baht 1,546.75 million. In addition, the Company also had comprehensive loss for the year ended December 31, 2021 of Baht 43.29 million. The current ratio as at December 31, 2021 and, 2020 are 16.98 and 0.77, respectively. The Company currently has only one construction project. However, the Company’s management believes that the preparation of the financial statements in accordance with the ongoing concern basis is still appropriate due to the following:

- On August 13, 2021, the Board of Directors’ Meeting No. 4/2021 passed a resolution to approve the going concern plan to find investor who is able to enhance the potential in financial and both of domestic and overseas construction projects. The Company was able to find the investor according to the plan.
- Subsequently, on October 12, 2021, the Extraordinary General Shareholders’ Meeting passed a resolution to approve to the increase in registered share capital, which the Company received additional share subscriptions in amount of Baht 1,080.88 million in October 2021. Therefore, the Company has sufficient working capital for its business operations for a period of at least 12 months from the financial statements date (see Note 26.4).

- On March 31, 2021, the Company entered into the borrowing agreement with a financial institution to increase its liquidity for a credit facility of Baht 30 million for a period of 3 years from the date of the contract signing which will mature on March 31, 2024, using its land as collateral. Later, on December 17, 2021, the Company repaid such borrowing in full.

#### Operational plan after the increase of registered share capital

The Company still engages in construction business and has a plan to expand its business to bid the projects of the nearby countries which may have more channels, opportunities and higher profits because the competition in the construction industry in the nearby countries is not as high as that of the domestic. In addition, the Company is interested in the bidding for large projects with higher potential due to having sufficient funding sources beside long-standing industry expertise.

Moreover, on January 12, 2022, the Company notified to the Stock Exchange of Thailand about the construction bid result which the Company was selected as the successful tenderer for the construction project value of USD 263.96 million or Baht 8,895.30 million. Such construction project has construction period of approximately 32 months. The Company is in the process of negotiation for signing the construction contract.

#### **Coronavirus Disease 2019 Pandemic**

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

## **2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2021 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No.3) B.E. 2562” dated December 26, 2019.

2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Company has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective.

The Amendment to Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

The Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 "Insurance Contracts", Thai Financial Reporting Standards No. 7 "Financial Instruments: Disclosures", and Thai Financial Reporting Standards No. 9 "Financial Instruments", which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards which have been announced in the Royal Gazette on December 22, 2021, as follow:



- Thai Financial Reporting Standards No. 1 “First-time Adoption of Thai Financial Reporting Standards”, to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.
- Thai Financial Reporting Standards No. 6 “Exploration for and Evaluation of Mineral Resources”, to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.
- Accounting Treatment Guidance on “Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19”, which the objective of this accounting treatment guidance is to be used as the temporary relaxation measures for entities who providing assistance their debtors affected by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities elect to apply the temporary relaxation measures according to this accounting treatment guidance should be disclosed information as required.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as below:

#### 3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks’ savings accounts and current accounts, and short-term highly liquid investments with maturities within three months, excluding deposit at bank used as collateral.

#### 3.2 Trade receivables and other current receivables

Trade receivables and other receivables are stated at the net realizable value.

Allowance for expected credit loss is considered as described in Note 3.5.

#### 3.3 Contract assets

Contract assets are construction contracts work in progress that represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognized to date less progress billings and recognized losses. Cost includes all expenditures related directly to specific projects and an allocation of fixed and variable

costs incurred in the Company's construction contract activities based on normal operating capacity.

The difference of progress billings below construction revenue is presented under trade and other receivable in the statement of financial position. If progress billings exceed construction revenue, then the difference is presented under trade and other payables in the statement of financial position.

#### 3.4 Inventories

Raw materials for use in construction are stated at the lower of cost or net realizable value. Cost is determined by weighted average method. Net realizable value is the estimate of the selling price in the ordinary course of business less the estimated costs necessary to make sale.

The Company records the allowance for diminution of inventory for damaged inventories or obsolete inventories.

Work in progress is recognized as described in Note 3.15.

#### 3.5 Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

##### **Financial assets**

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### *Classification of financial assets*

The Company may make the following irrevocable election/designation at initial recognition of a financial asset.

The Company may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (i) below);

##### **(i) Equity instruments designated as at FVTOCI**

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “finance income” line item in profit or loss.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9.

**(ii) Financial assets at FVTPL**

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) above) are measured at FVTPL. Specifically, Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (i) above).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in

the “other gains and losses” line item. Fair value is determined in the manner described in Note 36.

#### *Impairment of financial assets*

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### 1) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

## 2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### *Derecognition of financial assets*

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings (deficit).

### **Financial liabilities**

All financial liabilities are measured subsequently at amortized cost.

#### *Derecognition of financial liabilities*

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### 3.6 Investment properties

Investment properties are properties which are held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value which appraised by independent appraiser. Any gains or losses arising from changes in the value of investment properties are recognized in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period when the asset is derecognized.

### 3.7 Property, plant and equipment

Land is stated at the revalued amount based on valuations amount determined by an independent appraiser. The Company has policy to perform revaluation of land every 3 years or whenever the fair value of a revalued land differs materially from its carrying amount.

Building and equipment are stated at cost less accumulated depreciation and allowance for impairment, if any.

The cost includes the costs of dismantling and removing the items and restoring the site on which they are located.

Depreciation is computed by the straight-line method based on the estimated useful lives of assets as follows:

Building and leasehold improvement	5 - 20 years
Machinery and equipment	5 - 20 years
Furniture and office equipment	5 years
Vehicles	5 years

For revalued assets, a revalued amount is the fair value determined on market value at the date of revaluation.

The Company recognizes an increase in asset value as a result of a revaluation in “gain on revaluation of assets” which is presented under other components of shareholders’ equity in the statement of financial position. However, if the assets used to be decreased as a result of revaluation and the Company used to be recognize a decreased as an expense in the statement of profit or loss and other comprehensive income, the increase from new revaluation will be recognized as income not exceeding the decrease which was previously recognized as an expenses in the statement of profit or loss and other comprehensive income in prior years.

The Company recognizes a decrease in asset value as a result of a revaluation as expense in the statement of profit or loss and other comprehensive income. However, if the asset used to be increased and gain on revaluation of assets is existing in other components of shareholders’ equity, the decrease from new revaluation will be deducted from surplus on revaluation of assets not exceeding the increase of the same asset and the exceeding amount is recognized as an expense in the statement of profit or loss and other comprehensive income.

The gain on revaluation of assets cannot be used for dividend payment.

Depreciation is included in determining operating result and no depreciation is provided to land and construction in progress.

Repairs and maintenance are charged an expense to the statement of profit or loss and other comprehensive income incurred during the year. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one accounting period. Assets from major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in profit and loss from operation.

When revaluated assets are sold, the amounts included in gain on revaluation are transferred to retained earnings.

### 3.8 Intangible assets

Intangible assets representing computer program are stated at cost less accumulated amortization and allowance for impairment, if any. Amortization is computed by the straight-line method based on the estimated useful lives of assets for 5 years.

### 3.9 Impairment of assets

The Company considers the impairment of assets when there are indications or changes in the environment which indicate that recoverable amount (the higher of fair value less cost of disposal or value in use) is lower than carrying amount of such assets. The impairment review will consider the impairment of an individual asset or a cash generating unit. In the case carrying amount of the asset is higher than its recoverable amount, the Company will recognize the loss from impairment of the asset in the statement of profit or loss and other comprehensive income.

The Company will reverse the loss from impairment of assets previously recognized in prior years when there are indications that impairment no longer exist or decrease. However, increase in carrying amount as a result from reversal will not exceed the carrying amount that would have been determined (net of depreciation or amortization) if had the Company had no impairment loss been recognized for the assets in prior years.

### 3.10 Lease

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (i.e. photocopied, tablets, personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;



- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever, if any:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

### 3.11 Provisions

3.11.1 Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 3.11.2 Provision for dismantling and removal of leasehold improvement

The Company estimates the provision for dismantling and removal of leasehold office improvement by considering the condition for returning the leased premises as per the agreement and the cost of dismantling and removal per square meter and lease premise's space.

### 3.12 Employee benefits

#### 3.12.1 Short-term benefits

The Company recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

#### 3.12.2 Post-employment benefits - contribution benefit plan

The Company has established a provident fund the assets of which are held separately from the Company's assets. The provident fund is funded by the contribution from employees and the Company. Contributions from the Company to the provident fund are recognized as expenses the statement of profit or loss and other comprehensive income in the period to which they relate.

#### 3.12.3 Post-employment benefits - defined benefit plan

The provisions for employee benefit for severance payment according to the labour law is recognized as expense over the employee's service period which is the estimated amount of future benefit earned by employees in return for service provided to the Company until their retirement. Such benefit is discounted to be the present value. Discount rate is based on the yield rate of government bond as the initial reference rate. The calculation is performed by actuarial techniques using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) in other comprehensive income.

Past service cost related to plan amendment is recognized as an expense in the income statement and other comprehensive income when the plan amendment is effective.

### 3.13 Share-based payments

The Company operates a number of equity-settled, share-based compensation plans, under which the Company receives services from employees compensates in part through equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period.

### 3.14 Recognition of revenues and expenses

Revenue excludes value-added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenues from construction contract is recognized as described in Note 3.15.

Interest income, other income and expenses are recognized on an accrual basis.

### 3.15 Construction contracts

#### Revenues from construction contracts

Revenues from construction contracts includes the initial amount agreed in the contract plus any variations in contract work, claims or incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. Revenues from construction contract will be recognized when the Company satisfies a performance obligation according to the contract over time by transferring control of asset from construction to a customer. Revenues from construction contracts will be recognized on an input method based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Such method is appropriated to reflect service transfer.

When the outcome of a construction contract cannot be estimated reliably, revenue from construction contract is recognized not exceed to the extent of contract costs incurred that it is probably will be recoverable.

#### Construction contract loss

When it is probable that total contract costs will exceed total contract revenue, the Company will recognize the expected loss on a contract in the statement of profit and loss and other comprehensive income.

#### Work in progress

Costs that relate to future activity on the contract are recognized as work in progress provided it is probable that they will be recovered.

### 3.16 Income tax

Income tax consists of the tax currently payable and deferred tax.

#### 3.16.1 Current tax

The current tax is the amount of income tax pay on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated by using tax rates at the end of reporting period.

### 3.16.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Company recognized deferred tax liabilities for all temporary difference and recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statements profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in shareholders' equity in the same or different period.

### 3.17 Fair value measurement

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers based on the characteristics of the asset or liability which market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.18 Losses per share

Basic losses per share are calculated by dividing net loss for the year by the weighted average number of ordinary shares issued during the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscriptions received. In case of a capital decrease, the number of ordinary shares is weighted according to time of registration of capital reduction. Diluted losses per share is calculated from weighted average number of ordinary shares assumed that dilutive ordinary shares equivalents is totally converted to ordinary shares.

### 3.19 Use of management's judgments and significant accounting estimations

In the application of the Company's accounting policies described above, the management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amounts of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimates are as follows:

- 3.19.1 Estimated construction project costs and provision for expected loss on construction contract. The Company estimates costs of each construction project based on details of the construction work taking into account the volume and value of construction materials to be used in the project, including labour costs and other miscellaneous costs to be incurred to complete construction service with consideration of trend of changes in construction materials price, labour and other expenses. The Company reviews estimated construction cost on a regularly basis and whenever actual costs significantly differ from estimated cost

of each construction contract. In addition, the Company considers contract loss on each project by comparing total construction costs by contract revenue of each project.

### 3.19.2 Impacts on litigations

The Company has commercial disputes and litigations. The Company's management used judgment to assess of the results of the commercial disputes and litigations based on the causes of the commercial disputes and litigation and other evidence documents including consulting with legal counsel for significant commercial disputes and litigation.

## 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Non-cash items for the years ended December 31, consisted of the following:

	2021 Baht	2020 Baht
Gains on investments in equity instruments designated at fair value through other comprehensive income	19,297,090	3,123,660
Gains on financial assets mandatorily measured at fair value through profit or loss	-	2,072,604
Gains on remeasurements of defined benefit plans	961,695	357,721
Losses on revaluation of assets	(530,000)	-

4.2 Change in liabilities from financing activities for the years ended December 31, are as follows:

For the year ended December 31, 2021	Balance as at January 1, 2021 Baht	Financing cash flows		Other changes <sup>(1)</sup> Baht	Balance as at December 31, 2021 Baht
		Cash Received Baht	Cash Paid Baht		
Lease liabilities	79,842	-	(714,619)	3,044,065	2,409,288
Other short-term borrowing	12,235,690	-	-	-	12,235,690
Long-term borrowing					
from financial institution	-	30,000,000	(30,000,000)	-	-
<b>Total</b>	<b>12,315,532</b>	<b>30,000,000</b>	<b>(30,714,619)</b>	<b>3,044,065</b>	<b>14,644,978</b>

For the year ended December 31, 2020	Balance	Financing cash flows		Change from	Other	Balance
	as at	Cash	Cash	implementation	changes <sup>(2)</sup>	as at
	January 1, 2020	Received	Paid	of TFRS 16		December 31, 2020
	Baht	Baht	Baht	Baht	Baht	Baht
Lease liabilities	311,402	-	(577,492)	473,156	(127,224)	79,842
Other short-term borrowing	12,235,690	-	-	-	-	12,235,690
<b>Total</b>	<b>12,547,092</b>	<b>-</b>	<b>(577,492)</b>	<b>473,156</b>	<b>(127,224)</b>	<b>12,315,532</b>

<sup>(1)</sup> Other change was arised from increase in lease liabilities from new lease agreements during the year.

<sup>(2)</sup> Other changes were arised from decreased in lease liabilities from the termination of lease agreement.

4.3 Cash and cash equivalents as at for December 31, consisted of the following:

	2021	2020
	Baht	Baht
Cash on hand	14,592	45,944
Cash at banks		
- Current accounts	3,532,785	16,422,990
- Savings accounts	1,057,263,628	2,379,227
- Fixed accounts (maturity less than 3 months)	281,024	222,433
<b>Total</b>	<b>1,061,092,029</b>	<b>19,070,594</b>

As at December 31, 2021 and 2020, savings accounts carry interest at the rate of 0.05% to 0.13% per annum and 0.38% to 1.00% per annum, respectively.

As at December 31, 2021 and 2020, fixed deposits at banks (maturity less than 3 months) carry interest at the rate of 0.10% to 0.38% per annum and 0.37% to 1.63% per annum, respectively.



## 5. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of the following:

	2021	2020
	Baht	Baht
Trade receivables		
- Other parties	-	5,948,099
Trade receivables	<u>-</u>	<u>5,948,099</u>
Other current receivables		
Other current receivables		
- Other parties	60,307	154,352
- Other receivable - bank (see Note 39.1)	-	5,334,318
- The Revenue Department	2,985,167	551,739
Advance payments for construction	-	1,466,321
Advance payments	177,448	
Prepaid expenses	941,046	1,130,067
Other current receivables	<u>4,163,968</u>	<u>8,636,797</u>
Total	<u>4,163,968</u>	<u>14,584,896</u>

The aging of trade receivables as at December 31, is as follows:

	2021	2020
	Baht	Baht
Within credit term	-	5,948,099
Total	<u>-</u>	<u>5,948,099</u>

## 6. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at December 31, consisted of the following:

	2021	2020
	Baht	Baht
Financial assets mandatorily measured at fair value through profit or loss		
Investment in equity instruments	-	6,772,052
Unrealized loss	-	(2,305,972)
Total	<u>-</u>	<u>4,466,080</u>

Losses on financial assets mandatorily measured at fair value through profit or loss

As at December 31, 2020, the Company has unrealized loss on remeasuring financial assets mandatorily measured at fair value through profit or loss of Baht 2.31 million which recognized gain on financial assets mandatorily measured at fair value through profit or loss as other gains in the statements of profit or loss and other comprehensive income for the year ended December 31, 2020 of Baht 2.07 million (As at December 31, 2021 : Nil).

The Company recognized reversal of unrealized loss from sale financial assets mandatorily measured at fair value through profit or loss for the year ended December 31, 2021 and 2020 of Baht 2.30 million and Baht 4.99 million, respectively.

Trading of financial assets mandatorily measured at fair value through profit or loss

For the year ended December 31, 2021 the Company sold all financial assets mandatorily measured at fair value through profit or loss of Baht 5.03 million.

For the year ended December 31, 2020, the Company sold financial assets mandatorily measured at fair value through profit or loss of Baht 5.87 million.

**7. OTHER CURRENT ASSETS**

Other current assets as at December 31, consisted of the following:

	2021	2020
	Baht	Baht
Refundable withholding tax deducted as sources	-	25,720,597
Guarantees and deposits	392,705	2,240,361
Other	692,594	1,606,930
Total	<u>1,085,299</u>	<u>29,567,888</u>

**8. DEPOSITS AT FINANCIAL INSTITUTION WITH RESTRICTION OF USE**

As at December 31, 2021 and 2020, deposits at financial institution with restriction of use amounting to Baht 18.19 million and Baht 15.86 million, respectively, were saving account and fixed accounts with maturity term of 3 - 12 months, carrying interest rate at 0.05% to 0.38% per annum and 0.38% to 1.63% per annum, respectively, which the Company used as collateral for facility of letters of guarantee issued by financial institutions (see Note 37.1).

## 9. OTHER NON-CURRENT FINANCIAL ASSETS

Other non - current financial assets as at December 31, consisted of the following:

	2021	2020
	Baht	Baht
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	33,975,403	54,965,867
Unrealized loss	(1,164,873)	(26,587,767)
Total	32,810,530	28,378,100

### Loss on investments in equity instruments designated at fair value through other comprehensive income

As at December 31, 2021, the Company has unrealized loss on remeasuring investments in equity instruments designated at fair value through other comprehensive income of Baht 1.16 million. The Company recognized gain on investments in equity instruments designated at fair value through other comprehensive income as other comprehensive income of Baht 19.30 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2021.

As at December 31, 2020, the Company has unrealized loss on remeasuring investments in equity instruments designated at fair value through other comprehensive income of Baht 26.59 million. The Company recognized gain on investments in equity instruments designated at fair value through other comprehensive income as other comprehensive income of Baht 3.12 million in the statement of profit or loss and other comprehensive income for the year ended December 31, 2020.

The Company transferred of loss on measuring financial assets upon disposal of investments in equity instruments designated at fair value through other comprehensive income directly to retained earnings for the year ended December 31, 2021 amounting to Baht 6.13 million (For the year ended December 31, 2020 : Nil).

### Trading of investments in equity instruments designated at fair value through other comprehensive income

For the year ended December 31, 2021, the Company sold investments in equity instruments designated at fair value through other comprehensive income of Baht 14.86 million.

For the year ended December 31, 2020, the Company did not purchase or sell investments in equity instruments designated at fair value through other comprehensive income.

**10. TRADE AND OTHER NON-CURRENT RECEIVABLES**

Trade and other non-current receivables as at December 31, consisted of the following:

	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Trade receivables		
- Other parties	144,531,513	144,531,513
<u>Less</u> Allowance for expected credit loss	<u>(144,531,513)</u>	<u>(144,531,513)</u>
Trade receivables	<u>-</u>	<u>-</u>
Other non-current receivables		
Other receivables		
- Other parties	5,489,577	5,480,086
<u>Less</u> Allowance for expected credit loss	<u>(5,414,352)</u>	<u>(5,458,174)</u>
Other receivables	<u>75,225</u>	<u>21,912</u>
Advance payments for construction	<u>2,276,395</u>	<u>2,276,395</u>
Other non-current receivables	<u>2,351,620</u>	<u>2,298,307</u>
Total	<u>2,351,620</u>	<u>2,298,307</u>
Write-off bad debts for the year	<u>61,433</u>	<u>3,318,755</u>

The aging of trade receivables as at December 31, are as follows:

	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Overdue		
Over 12 months	<u>144,531,513</u>	<u>144,531,513</u>
Total	<u>144,531,513</u>	<u>144,531,513</u>

For the years ended December 31, the movements of allowance for expected credit loss are as follows:

	2021 Baht	2020 Baht
Beginning balances as at January 1,	149,989,687	154,164,620
<u>Add</u> Impact on recognized allowance for expected credit loss as TFRS 9	-	10,214,557
Beginning balances - new Financial Reporting Standards	149,989,687	164,379,177
<u>Add</u> Recognized loss allowance during the years	-	43,822
<u>Less</u> Reversal of expected credit loss during the years	(43,822)	(14,433,312)
Ending balances as at December 31,	149,945,865	149,989,687

The following table details the risk profile of trade receivables based on the Company's credit loss provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the different customer segments.

As at December 31, 2021	Trade receivables - days past due					Total Baht
	< 30	31 - 60	61 - 90	91 - 120	> 120	
	days	days	days	days	days	
	Baht	Baht	Baht	Baht	Baht	
Expected credit loss rate	0%	0%	0%	0%	100%	100%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	144,531,513	144,531,513
12-month ECL	-	-	-	-	(144,531,513)	(144,531,513)
						-
	Other receivables - days past due					Total Baht
	< 30	31 - 60	61 - 90	91 - 120	> 120	
	days	days	days	days	days	
	Baht	Baht	Baht	Baht	Baht	
Expected credit loss rate	0%	0%	0%	0%	99%	99%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	5,489,577	5,489,577
12-month ECL	-	-	-	-	(5,414,352)	(5,414,352)
						75,225

As at December 31, 2020	Trade receivables - days past due					Total
	< 30	31 - 60	61 - 90	91 - 120	> 120	
	days	days	days	days	days	
	Baht	Baht	Baht	Baht	Baht	
Expected credit loss rate	0%	0%	0%	0%	100%	100%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	144,531,513	144,531,513
12-month ECL	-	-	-	-	(144,531,513)	(144,531,513)
						-

	Other receivables - days past due					Total
	< 30	31 - 60	61 - 90	91 - 120	> 120	
	days	days	days	days	days	
	Baht	Baht	Baht	Baht	Baht	
Expected credit loss rate	0%	0%	0%	0%	99%	99%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	5,480,086	5,480,086
12-month ECL	-	-	-	-	(5,458,174)	(5,458,174)
						21,912

## 11. NON-CURRENT CONTRACT ASSETS

Non-current contract assets as at December 31, consisted of the following:

	2021	2020
	Baht	Baht
Non-current contract assets	38,317,650	38,317,650
<u>Less</u> Allowance for expected credit loss	(38,317,650)	(38,317,650)
Non-current contract assets (see Note 32)	-	-

For the years ended December 31, the movements of allowance for expected credit loss are as follows:

	2021	2020
	Baht	Baht
Beginning balances as at January 1,	38,317,650	39,619,782
<u>Less</u> Reversal of expected credit loss during the years	-	(1,302,132)
Ending balances as at December 31,	38,317,650	38,317,650

The following table details the risk profile of contract assets based on the Company's credit loss provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the different customer base as at December 31, are as follows:

	2021	2020
	Baht	Baht
Expected credit loss rate	100%	100%
Estimated total gross carrying amount at default amounts not past due	38,317,650	38,317,650
12-month ECL	(38,317,650)	(38,317,650)
<b>Net carrying amount</b>	<u><u>-</u></u>	<u><u>-</u></u>

## 12. INVESTMENT PROPERTIES

Investment properties December 31, consisted to the following:

### As at December 31, 2021

	Balances as at January 1, 2021 Baht	Additions Baht	Deductions/ Disposal Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2021 Baht
Land	49,961,974	-	-	-	49,961,974
Surplus from land revaluation	10,286,026	6,628,000	-	-	16,914,026
<b>Total investment properties</b>	<u><u>60,248,000</u></u>				<u><u>66,876,000</u></u>

### As at December 31, 2020

	Balances as at January 1, 2020 Baht	Additions Baht	Deductions/ Disposal Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2020 Baht
Land	-	-	-	49,961,974	49,961,974
Surplus from land revaluation	-	-	-	10,286,026	10,286,026
<b>Total investment properties</b>	<u><u>-</u></u>				<u><u>60,248,000</u></u>

As at December 31, 2020, the Company transfer land from property, plant and equipment to investment properties (see Note 13). Such land is non-operating land.

On March 31, 2021, the Company has pledged investment properties in net book value amounting to Baht 60.25 million, as collateral against borrowing agreement with a financial institution. Later, on December 17, 2021, the Company repaid such borrowing in full amount and the Company is on process of redemption of the collateral.

In 2021, the Company revalued its land by using value appraised by the independent appraiser licensed by the Securities and Exchange Commission which is determined by using the Market Approach Method according to the appraisal reports dated August 19, 2021.

### 13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, consisted of the following:

#### As at December 31, 2021

	Balances as at January 1, 2021 Baht	Additions Baht	Deductions/ Disposal Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2021 Baht
<b>Cost</b>					
Land					
Cost	3,984,352	-	-	-	3,984,352
Surplus from land revaluation	8,735,648	-	(530,000)	-	8,205,648
Building and leasehold					
Improvement	4,287,115	1,651,629	(1,205,044)	-	4,733,700
Machinery and equipment	32,841,808	51,900	(920)	-	32,892,788
Furniture and office equipment	12,100,736	1,659,821	(255,399)	-	13,505,158
Vehicles	13,592,511	-	-	-	13,592,511
Total at cost	75,542,170	3,363,350	(1,991,363)	-	76,914,157
<b>Accumulated depreciation</b>					
Building and leasehold					
improvement	(3,639,607)	(517,737)	1,205,019	-	(2,952,325)
Machinery and equipment	(28,393,840)	(753,856)	680	-	(29,147,016)
Furniture and office equipment	(11,499,091)	(525,119)	240,906	-	(11,783,304)
Vehicles	(12,816,151)	(6,572)	-	-	(12,822,723)
Total accumulated depreciation	(56,348,689)	(1,803,284)	1,446,605	-	(56,705,368)
<b>Total property, plant and equipment</b>	<b>19,193,481</b>				<b>20,208,789</b>



**As at December 31, 2020**

	Balances as at January 1, 2020 Baht	Additions Baht	Deductions/ Disposal Baht	Change from implementation of TFRS16 Baht	Transfer in/ (Transfer out) Baht	Balances as at December 31, 2020 Baht
<b>Cost</b>						
<b>Land</b>						
Cost	53,946,326	-	-	-	(49,961,974)	3,984,352
Surplus from land revaluation	19,021,674	-	-	-	(10,286,026)	8,735,648
<b>Building and leasehold improvement</b>						
	12,677,175	487,110	(8,877,170)	-	-	4,287,115
Machinery and equipment	32,841,808	-	-	-	-	32,841,808
Furniture and office equipment	12,099,491	9,143	(7,898)	-	-	12,100,736
Vehicles	16,992,511	-	-	(3,400,000)	-	13,592,511
<b>Total at cost</b>	<b>147,578,985</b>	<b>496,253</b>	<b>(8,885,068)</b>	<b>(3,400,000)</b>	<b>(60,248,000)</b>	<b>75,542,170</b>
<b>Accumulated depreciation</b>						
<b>Building and leasehold improvement</b>						
	(9,873,123)	(2,131,984)	8,365,500	-	-	(3,639,607)
Machinery and equipment	(27,610,328)	(783,512)	-	-	-	(28,393,840)
Furniture and office equipment	(10,512,664)	(994,316)	7,889	-	-	(11,499,091)
Vehicles	(16,191,505)	(24,645)	-	3,399,999	-	(12,816,151)
<b>Total accumulated depreciation</b>	<b>(64,187,620)</b>	<b>(3,934,457)</b>	<b>8,373,389</b>	<b>3,399,999</b>	<b>-</b>	<b>(56,348,689)</b>
<b>Total property, plant and equipment</b>	<b>83,391,365</b>					<b>19,193,481</b>

**Depreciation for the years ended December 31,**

2021	<b>Baht</b>	<u>1,803,284</u>
2020	<b>Baht</b>	<u>3,934,457</u>

As at December 31, 2021 and 2020, costs of building and equipment which are fully depreciated, but still in use are Baht 49.41 million and Baht 45.85 million, respectively.

As at December 31, 2020, the Company transfer certain of land to investment properties ( see Note 12), such land is non-operating land.

On June 7, 2021, the Company has pledged land and buildings in net book value amounting to Baht 17.91 million, as collateral for the bail contract to suspend the execution under the judgment of the Civil Court (see Note 39.3.2).

In 2021, the Company revalued its land by using value appraised by the independent appraiser licensed by the Securities and Exchange Commission which is determined by using the Market Approach Method according to the appraisal reports dated August 18, 2021.

**14. RETENTION RECEIVABLES**

Retention receivables as at December 31, consisted of the following:

	2021	2020
	Baht	Baht
Retention receivables	61,872,189	84,955,262
<u>Less</u> Allowance for expected credit loss	(48,035,752)	(48,035,752)
Total	<u>13,836,437</u>	<u>36,919,510</u>

For the years ended December 31, the movements of loss allowance are as follows:

	2021	2020
	Baht	Baht
Beginning balances as at January 1,	48,035,752	58,037,653
<u>Less</u> Reversal of expected credit loss during the years	-	(10,001,901)
Ending balances as at December 31,	<u>48,035,752</u>	<u>48,035,752</u>

The following table details the risk profile of retention receivables based on the Company's credit loss provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the different customer segments.

As at December 31, 2021	Retention receivables - days past due					Total
	< 30	31 - 60	61 - 90	91 - 120	> 120	
	days	days	days	days	days	
	Baht	Baht	Baht	Baht	Baht	
Expected credit loss rate	0%	0%	0%	0%	100%	100%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	48,035,752	48,035,752
Lifetime ECL	-	-	-	-	(48,035,752)	<u>(48,035,752)</u>
						<u>-</u>

As at December 31, 2020	Retention receivables - days past due					Total
	< 30	31 - 60	61 - 90	91 - 120	> 120	
	days	days	days	days	days	
	Baht	Baht	Baht	Baht	Baht	
Expected credit loss rate	0%	0%	0%	0%	100%	100%
Estimated total gross carrying amount at default amounts not past due	-	-	-	-	48,035,752	48,035,752
Lifetime ECL	-	-	-	-	(48,035,752)	(48,035,752)
						-

## 15. INTANGIBLE ASSETS

Intangible assets as at December 31, consisted of the following:

### As at December 31, 2021

	Balances as at January 1, 2021 Baht	Additions Baht	Deductions/ Disposal Baht	Balances as at December 31, 2021 Baht
Computer program				
Cost	10,338,080	-	-	10,338,080
<u>Less</u> Accumulated amortization	(8,009,442)	(879,070)	-	(8,888,512)
Total intangible assets	2,328,638			1,449,568

### As at December 31, 2020

	Balances as at January 1, 2020 Baht	Additions Baht	Deductions/ Disposal Baht	Balances as at December 31, 2020 Baht
Computer program				
Cost	10,338,080	-	-	10,338,080
<u>Less</u> Accumulated amortization	(6,696,249)	(1,313,193)	-	(8,009,442)
Total intangible assets	3,641,831			2,328,638

### Amortization for the years ended December 31,

2021	Baht	879,070
2020	Baht	1,313,193

**16. OTHER NON-CURRENT ASSETS**

Other non-current assets as at December 31, consisted of the following:

	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Guarantees and deposits	3,037,199	279,300
Withholding tax	51,861,077	49,072,615
Total	<u>54,898,276</u>	<u>49,351,915</u>

**17. TRADE AND OTHER CURRENT PAYABLES**

Trade and other current payables as at December 31, consisted of the following:

	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Trade payables		
- Other parties	16,201,892	32,640,217
Trade payables	<u>16,201,892</u>	<u>32,640,217</u>
Other current payables		
Other current payables		
- Other parties	6,115,797	6,365,758
Accrued expenses	3,951,872	6,908,665
Other current payables	<u>10,067,669</u>	<u>13,274,423</u>
Total	<u>26,269,561</u>	<u>45,914,640</u>

**18. LEASE LIABILITIES**

Lease liabilities as at December 31, consisted of the following:

	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
<b>Maturity analysis:</b>		
Within 1 year	857,712	81,000
1 - 5 years	1,786,900	-
	<u>2,644,612</u>	<u>81,000</u>
<u>Less</u> Unearned interest	(235,324)	(1,158)
Total	<u>2,409,288</u>	<u>79,842</u>

**Classification as:**

Current	733,311	79,842
Non - Current	1,675,977	-
Total	<u>2,409,288</u>	<u>79,842</u>

**19. OTHER SHORT-TERM BORROWING**

As at December 31, 2021 and 2020, other short-term borrowing is a borrowing from the Company's former director amounting of Baht 12.24 million without a written agreement and no collateral, and is repayable at call with the interest rate of minimum loan rate (MLR) or approximately 6.25% per annum.

**20. OTHER CURRENT PROVISIONS**

For the years ended December 31, the movements of other current provisions are as follows:

	2021	2020
	Baht	Baht
Beginning balances as at January 1,	2,514,145	3,728,474
<u>Add</u> Other current provisions increased in the years	829,889	1,419,454
<u>Less</u> Payment during the years	(1,752,466)	(2,336,196)
<u>Less</u> Reversal of other current provisions during the years	(819,548)	(297,587)
Ending balances as at December 31,	<u>772,020</u>	<u>2,514,145</u>

**21. PROVISION FOR EXPECTED LOSS ON CONSTRUCTION CONTRACT AND PROVISION FOR PENALTY ARISING FROM DELAY ON CONSTRUCTION CONTRACT**

21.1 As at December 31, 2021, provision for expected loss on construction contract increased approximately Baht 0.48 million which recognized as cost of construction contract for the year ended December 31, 2021 (As at December 31, 2020 : Nil).

21.2 As at December 31, 2021, provision for penalty arising from delay on construction contract increased approximately Baht 0.84 million which recognized as a deduction from revenue from construction contract for the year ended December 31, 2021 (As at December 31, 2020 : Nil).

**22. OTHER CURRENT LIABILITIES**

Other current liabilities as at December 31, consisted of the following:

	2021 Baht	2020 Baht
Undue output tax	10,137,737	10,548,316
Others	457,898	468,078
Total	<u>10,595,635</u>	<u>11,016,394</u>

**23. INCOME TAX**

Deferred tax assets and deferred tax liabilities as at December 31, consisted of the following:

As at December 31, 2021

	Balances as at December 31, 2020 Baht	Realized in profit or loss in profit or loss Baht	Realized in other compre- hensive income Baht	Balances as at December 31, 2021 Baht
Deferred tax assets	-	-	-	-
Deferred tax liabilities				
Gain on revaluation of assets	(3,804,335)	(1,325,600)	106,000	(5,023,935)
Total deferred tax liabilities	<u>(3,804,335)</u>	<u>(1,325,600)</u>	<u>106,000</u>	<u>(5,023,935)</u>
Total deferred tax liabilities - net	<u>(3,804,335)</u>			<u>(5,023,935)</u>

## As at December 31, 2020

	Balances as at December 31, 2019 Baht	Realized in profit or loss in profit or loss Baht	Realized in other compre- hensive income Baht	Balances as at December 31, 2020 Baht
Deferred tax assets	-	-	-	-
Deferred tax liabilities				
Gain on revaluation of assets	(3,804,335)	-	-	(3,804,335)
Total deferred tax liabilities	(3,804,335)	-	-	(3,804,335)
Total deferred tax liabilities - net	(3,804,335)			(3,804,335)

Tax expense for the years ended December 31, are as follows:

	2021 Baht	2020 Baht
<b>Current income tax</b>		
Current tax expense	-	-
<b>Deferred tax</b>		
Deferred tax expense relating to temporary differences recognized during the years	(1,325,600)	-
<b>Total</b>	(1,325,600)	-

The reconciliation of income tax at application tax rate for the years ended December 31, are as follows:

	2021 Baht	2020 Baht
Loss before income tax	(61,803,408)	(22,670,886)
Current income tax expense at 20%	(12,360,682)	(4,534,177)
Effect of tax losses not recognized as deferred tax asset	15,425,846	14,257,723
Effect of the non-taxable income and non-deductible expense	(1,739,564)	(9,723,546)
<b>Income tax expense</b>	1,325,600	-

The Company used tax rate of 20% for the corporate income tax calculation for the years ended December 31, 2021 and 2020 and for deferred tax calculation as at December 31, 2021 and 2020.

Effect from income tax relating to components of other comprehensive income for the years ended December 31, 2021 and 2020, are as follows:

	2021			2020		
	Before tax	Income tax relating to components of other comprehensive income	Net of tax	Before tax	Income tax relating to components of other comprehensive income	Net of tax
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Components of other comprehensive income that will not be subsequently reclassified to profit or loss</b>						
Gains on investment in equity instruments designated at fair value through other comprehensive income	19,297,090	-	19,297,090	3,123,660	-	3,123,660
Gain on remeasurements of defined benefit plans	961,695	-	961,695	357,721	-	357,721
Loss on revaluation of assets	(530,000)	106,000	(424,000)	-	-	-
<b>Total</b>	<b>19,728,785</b>	<b>106,000</b>	<b>19,834,785</b>	<b>3,481,381</b>	<b>-</b>	<b>3,481,381</b>

The Company has not recognized deferred tax assets for unused tax losses because they expect no certain future taxable profit to be utilized. As at December 31, 2021 and 2020, the Company has unused tax losses carried forward amounting to Baht 440.11 million and Baht 362.99 million, respectively. Some tax losses will expire in 2022.

#### 24. PROVISIONS FOR EMPLOYEE BENEFITS

The Company established the retirement benefit plan based on the requirement of Thai Labour Protection Act and the employees' retirement policy to the Company which is classified as employee benefit plan without funds.

Movements in the provisions for employee for retirement for the years ended December 31, consisted of the following:



	2021	2020
	Baht	Baht
Beginning balances of provisions for		
employee benefits for retirement	6,699,586	9,507,037
Current service cost	405,172	1,772,426
Interest cost	75,968	111,334
Benefit paid in the years	(731,093)	(4,333,490)
(Gains) losses on remeasurements of defined benefit plans		
- Arising from experience adjustments	(704,447)	(391,885)
- Arising from demographic assumptions	-	636,268
- Arising from financial assumptions	(257,248)	(602,104)
	5,487,938	6,699,586
<u>Less</u> Provision for current liabilities from employee		
benefit for retirement	-	(813,204)
Ending balances of provisions for non-current from		
employee benefit for retirement	5,487,938	5,886,382

Employee benefit expenses for retirement recognized as profit or loss for the years ended December 31, are as follows:

	2021	2020
	Baht	Baht
Current service costs	405,172	1,772,426
Finance costs	75,968	111,334
Total	481,140	1,883,760

Principal actuarial assumptions are as follows:

	2021	2020
Discount rate (% per annum)	1.91	1.17
Salary increase rate (% per annum)	3	3
Employee turnover rate	10 - 34*	10 - 34*
Mortality rate	TMO2017**	TMO2017**

\* Depend on the average age of employees

\*\* Reference from TMO 2017 : Thai Mortality Ordinary Tables 2017

Actuarial assumptions sensitivity analysis which had a positive (negative) impact on provisions for employee benefit as at December 31, as follows:

	Provisions for employee benefit	
	increased /(decreased)	
	2021	2020
	Baht	Baht
<b>Discount rate</b>		
Discount rate - decrease by 1%	359,588	500,081
Discount rate - increase by 1%	(325,519)	(446,272)
<b>Salary raise rate</b>		
Salary raise rate - decrease by 1%	(325,245)	(427,258)
Salary raise rate - increase by 1%	351,995	468,677
<b>Employee turnover rate</b>		
Employee turnover rate - decrease by 1%	944,122	1,353,422
Employee turnover rate - increase by 1%	(753,658)	(1,030,581)

The sensitivity analysis presented above may not be representative of the actual change in provisions for employee benefit as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The maturity date analysis of the post-employment benefit payments as at December 31, are as follows:

	2021	2020
	Baht	Baht
Within 1 year	-	759,875
Over 1 year to 3 years	1,851,656	1,362,708
Over 3 years	4,358,948	5,169,497
Total	<u>6,210,604</u>	<u>7,292,080</u>

## 25. PROVIDENT FUND

The Company have established a provident fund which contribution is deducted from employees' monthly salaries and contribution from the Company. This fund has registered as provident fund in accordance with the Provident Fund Act B.E. 2530 (1987).

The contribution of the Company was recorded as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, 2021 and 2020 in amount of Baht 1.26 million and Baht 1.49 million, respectively.

## 26. SHARE CAPITAL

- 26.1 On February 27, 2020, the Extraordinary General Shareholders' Meeting passed a resolution to decrease the Company's authorized share capital from the amount of Baht 10,545,938,156 to Baht 10,114,938,156 by decreasing the unissued ordinary shares capital of 431,000,000 shares at the par value of Baht 1 each which were the result of the remaining reserved and unsubscribed for Private Placement. The Company registered the decrease in registered share capital with the Ministry of Commerce on March 6, 2020.
- 26.2 On February 27, 2020, the Extraordinary General Shareholders' Meeting passed a special resolution to approve the increase of the registered share capital from the amount of Baht 10,114,938,156 to Baht 12,826,431,971 by issuing new ordinary shares of 2,711,493,815 shares at the par value of Baht 1 each. The Company registered the increase in registered share capital with the Ministry of Commerce on March 10, 2020. The allotment of new ordinary shares are as follows:
- 26.2.1 The shareholders passed a solution to approve the allocation of increased ordinary shares of 1,011,493,815 shares for offering to existing shareholders in accordance with their shareholding ratio (Rights offering) at the price of Baht 0.03 each, totally Baht 30.34 million with the ratio of 10 existing ordinary shares to 1 increased ordinary share. On July 1, 2020, the Annual General Shareholders' Meeting passed a solution to approve the authorization to Managing director to postpone and fix the date for subscription and payment of newly issued ordinary shares for offering to existing shareholders because of the situation of the Coronavirus disease 2019 ("COVID-19") pandemic and capital market fluctuation which may affect to the consideration for subscription of the new ordinary shares of the existing shareholders. As a result, the Company has postponed the date of subscription and payment for the subscription of increased ordinary shares to be sold to the existing shareholders.
- 26.2.2 On February 24, 2021, the Board of Directors' Meeting No. 1/2021 passed a resolution to cancel the subscription and payment for the subscription of increased ordinary shares that offering to the existing shareholders of 1,011,493,815 shares because of the situation of the Coronavirus disease 2019 ("COVID-19"). Therefore, there were several postpone the date of subscription and payment for the subscription of increased ordinary shares and this lead to the Company was unable to determine the date of subscription and payment for the subscription of increased ordinary shares within 1 year from the Extraordinary General Shareholders' Meeting No. 1/2020 approval. The Company will

propose to the Annual General Shareholders' Meeting of 2021 to pass a solution to decrease the Company's registered share capital of 1,011,493,815 shares (see Note 26.3).

26.2.3 The shareholders passed a resolution to approve the allocation of increased ordinary shares of 1,700,000,000 shares for offering to Private Placement which non-related person of the Company in the price of Baht 0.03 each totally Baht 51.00 million. The Company received the payment of such increased ordinary shares of 833,500,000 shares of Baht 0.03 each, totally Baht 25.01 million on May 26, 2020 and registered the increase in paid-up share capital with the Ministry of Commerce on June 9, 2020. The Company will propose to the Annual General Shareholders' Meeting of 2021 to pass a solution to decrease the Company's registered share capital of 866,500,000 shares (see Note 26.3).

26.3 On April 28, 2021, the Annual General Shareholders' Meeting passed a resolution to approve the decrease of the registered share capital from the amount of Baht 12,826,431,971 to Baht 10,948,438,156 by decreasing the unissued registered shares capital of 1,877,993,815 shares at the par value of Baht 1 each which were the result of the remaining from cancelling the subscription and payment for the subscription of increased ordinary shares that offering to the existing shareholders in accordance with their shareholding ratio (Rights Offering) of 1,011,493,815 shares (see Note 26.2.2) and offering to Private Placement of 866,500,000 shares (see Note 26.2.3). The Company registered the decrease in registered share capital with the Ministry of Commerce on May 19, 2021.

26.4 On October 12, 2021, the Extraordinary General Shareholders' Meeting passed a resolution to increase of the registered share capital from the amount of Baht 10,948,438,156 to Baht 64,992,438,156 by issuing new ordinary shares of 54,044,000,000 shares at the par value of Baht 1 each for offering to Private Placement in the price of Baht 0.02 each totaling Baht 1,080.88 million. The Company received the payment of such increased ordinary shares in whole amount on October 26, 2021 and then registered the increase in paid-up share capital with the Department of Business Development on October 27, 2021.

## 27. DISCOUNT ON ORDINARY SHARES

Section 52 of the Public Limited Company Act B.E. 2535, requires if the Company which has been in operation for not less than one year suffers a loss, it may offer its shares for sale at a price lower than the registered par value, provided; approval is granted at the meeting of shareholders, the fixed discount rate shall be definitely determined and specified in the prospectus.

## 28. WARRANTS

The Annual General Meeting of Shareholders held on April 25, 2013, had the resolution to approve the issuance of Warrants No. 1 (TIES-WA) in the number of 22,000,000 units to the management and employees and the Extraordinary General Meeting of Shareholders held on November 17, 2014 has a resolution to approve the allotment and offering of newly issued ordinary shares of the Company to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering) and adjustment of right which specified that the Company is obliged to adjust the exercise price and exercise ratio. The preliminary details of the warrants are described below:

Type of Warrants	:	Warrants purchasing ordinary shares of Thai Industrial & Engineering Service Public Company Limited allocated to the management and employees
Type	:	Specified warrant's holder and non-transferable.
Term of Warrants	:	5 years from the issuing date of warrants.
Number of issued and offered warrants	:	22,000,000 units
Offering Price	:	0 Baht per unit
Allocation method	:	17,000,000 units directly allocated to management and employees 5,000,000 units allocated by the appointed person from the Board of Directors and/or Managing Director in order to allocate to new management and employees who will work for the Company within 1 year from the date of the shareholders' meeting approve this offering
Exercise Ratio	:	1 warrant to 11.971 ordinary shares (Formerly: 1 warrant to 1 ordinary share)
Exercise Price	:	Baht 1 (Formerly: Baht 2.50)
Exercise Period	:	The first: 1 year after the Company issued warrants, and not exceed 25% of the allocated warrants The second: 2 years after the Company issued warrants, and not exceed 50% of the allocated warrants The third: 3 years after the Company issued warrants, and not exceed 75% of the allocated warrants The forth: 4 years after the Company issued warrants, and not exceed 100% of the allocated warrants

Holders of warrants are able to exercise the warrants to ordinary shares on the last business day of March, June, September and December throughout the term of the warrants. The unexercised warrants as at May 14, 2018 which was the last exercised date were 8,140,000 units and the Company

transferred expired share capital from share-based payment of Baht 7.86 million to be a separate item under retained earnings (deficit) in the statement of financial position.

## 29. BASIC LOSSES PER SHARE AND DILUTED LOSSES PER SHARE

### Basic losses per share

Basic losses per share for the years ended December 31, 2021 and 2020 are calculated by dividing loss for the years by weighted average number of ordinary shares issued during the years.

Basic losses per share calculation for the years ended December 31, are as follows:

	2021 Baht	2020 Baht
Loss for the years (Baht)	(63,129,008)	(22,670,886)
Ordinary shares-beginning balance (shares)	10,948,438,156	10,114,938,156
Effect from issue shared capital during the years	9,920,405,479	501,010,929
Weighted average number of ordinary shares (shares) as at December 31,	20,868,843,635	10,615,949,085
Basic losses per share (Baht)	(0.0030)	(0.0021)

### Diluted losses per share

Diluted losses per share for the years ended December 31, 2021 and 2020 are calculated by dividing the loss for the years of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the years plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary share into ordinary shares when the exercise price is lower than fair value of ordinary shares. However, for the year ended December 31, 2021 and 2020, there is no warrant which are able to exercise to ordinary shares.

Diluted losses per share calculation for the years ended December 31, are as follows:

	2021 Baht	2020 Baht
Loss for the years (Baht)	(63,129,008)	(22,670,886)
Ordinary shares-beginning balance (shares)	10,948,438,156	10,114,938,156
Effect from issue shared capital during the years	9,920,405,479	501,010,929
Weighted average number of ordinary shares (shares) as at December 31,	20,868,843,635	10,615,949,085
Diluted losses per share (Baht)	(0.0030)	(0.0021)

**30. LEGAL RESERVE**

Pursuant to Section 116 of the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of net profit after deducting accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered shares capital and the reserve is not available for distribution as dividends.

**31. CAPITAL MANAGEMENT**

The purpose of the Company's capital management is to maintain the operating activities continuously for generating compensation for shareholders and benefits for stakeholders.

The Company did not use any financial ratios for maintaining cost level; however, cost are managed to be enough to be used as working capital within the Company.

**32. SIGNIFICANT INFORMATION OF CONSTRUCTION CONTRACTS**

Significant information of construction contracts as at December 31, consisted of the following:

	2021 Baht	2020 Baht
Contract revenues	26,900,000	353,204,005
Cost incurred to date	22,921,823	321,877,045
Profit (loss) recognized to date	(1,398,998)	7,455,900
Cost and profit (loss) recognized to date	21,522,825	329,332,945
<u>Less</u> Progress billings to date	(9,782,651)	(326,304,005)
Contract assets	(11,740,174)	(3,028,940)
Total contract liabilities	-	-
Cost of construction contracts incurred during the years	20,031,681	52,277,119
Expected loss on construction contract	(482,579)	-
Cost of construction contracts incurred recognized as expense during the years	(19,549,102)	(52,277,119)
Cost of construction contracts related to activities in the future which recognized as asset	-	-
Contract assets beginning of the years	3,028,940	56,617,309
Unearned construction revenues at the beginning of the years	-	-
Revenues from construction contracts recognized as revenues during the years	18,493,885	60,807,797
Progress billings during the years	(9,782,651)	(114,396,166)
Contract assets	11,740,174	3,028,940
	<b>For the year ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Revenues from construction contracts recognized as revenues during the years	18,493,885	60,807,797
Expected loss on construction contract	(482,579)	-
Cost of construction contracts incurred recognized as expense during the years	(19,549,102)	(52,277,119)
Profit (loss) recognized during the years	(1,537,796)	8,530,678

The Company reversed revenues from construction contracts in the statements of profit or loss and other comprehensive income for the year ended December 31, 2021 of Baht 0.42 million and recognized revenues from construction contracts in the statements of profit or loss and other



comprehensive income for the year ended December 31, 2021 of Baht 18.49 million because of the effect of recognition of expected loss on construction contract and provision for penalty arising from delay on construction contract (see Note 21).

The Company recognized revenues from construction contracts in the statements of profit or loss and other comprehensive income for the year ended December 31, 2020 of Baht 60.81 million which has no effect of the expected loss on construction contract and provision for penalty arising from delay that recognized as a deduction from revenue from construction contract.

In addition, the Company recognized expected loss on construction contract in the statements of profit or loss and other comprehensive income for the year ended December 31, 2021 of Baht 0.48 million based on the progress of the construction project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation (For the year ended December 31, 2020 : Nil).

### 33. OTHER INCOME

Other income for the years ended December 31, are as follows:

	2021	2020
	Baht	Baht
Interest income	268,039	93,815
Revenue from sales scrap	-	603,702
Gain from sale financial asset mandatorily measured at fair value through profit or loss	563,265	2,891,921
Dividend income	-	3,299,740
Gain on revaluation of assets	6,628,000	-
Others	18,628,916	12,599,792
Total	<u>26,088,220</u>	<u>19,488,970</u>

**34. EXPENSES BY NATURE**

Expenses by nature for the years ended December 31, consisted of the following items:

	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
Construction materials	7,630,543	4,899,517
Subcontractor	9,592,914	35,988,322
Employee and workers benefits expenses	54,907,302	63,125,645
Depreciation and amortization	3,458,283	5,515,251
Professional and service fees	10,636,170	5,151,531
Bad doubt	61,433	15,089,495
Reversal of allowance for doubtful accounts	-	(1,028,188)
Reversal of impairment loss determined in accordance with TFRS9	(43,822)	(25,693,523)
Reversal of provision for loss on litigations	-	(31,253,556)
Bank fees	528,047	376,749
Interest expenses	1,206,201	29,672
Transportation expenses	817,602	851,242
Insurance premium	163,407	291,046
Other fees	5,952,539	5,072,237
Rental	813,643	9,667,252
Directors remuneration	4,327,000	2,619,000
Utilities expenses	1,132,014	2,380,135
Repair and maintenance expenses	127,065	329,155
Advertising expenses	661,828	80,184
Entertainment expenses	258,787	341,664

**35. RELATED PARTY TRANSACTIONS AND BALANCES**

The Company has certain transactions with related parties. These related parties are related through common shareholdings and/or directorships. Significant related party transactions included in the financial statements are determined at the normal business prices based on the general market prices or prices agreed by the agreement in case no market reference.

### Directors and key management personnel's compensation

Directors and key management personnel's compensation for the years ended December 31, are as follows:

	2021	2020
	Baht	Baht
Short-term benefits	11,697,733	11,796,850
Post-employee benefits	19,923	232,122
Directors remuneration	4,327,000	2,619,000
Total directors and key management's compensation	<u>16,044,656</u>	<u>14,647,972</u>

### Relationships

Company	Country/ Nationality	Relation	Type of relation
The White Space Company Limited	Thailand	Related company *	Common directors and/or common managements

\* Being related company since October 26, 2021.

Significant balances and transactions between the Company and its related party are as follows:

Account name / Company's name	Relationship	For the year ended December 31,	
		2021	2020
		Baht	Baht
<b>Administrative expenses</b>			
The White Space Company Limited	Related company	<u>21,000</u>	<u>-</u>

## 36. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

### 36.1 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company.

As at December 31, 2020, the Company may have credit concentration risk because 100% of trade receivables represent trade receivables with 1 major client (As at December 31, 2021 : Nil). To mitigate credit risks, the management has established the credit risk policy and has reviewed impact arising from credit risk on a regularly basis. The Company enters into a contract with the project owners with strict terms of payments of receivables of each project. In addition, the Company evaluates the financial viability of potential clients prior to accepting projects.

The managements believes that the maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for expected credit loss as stated in the statement of financial position.

#### 36.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an effect on the operation of the Company in the current reporting period and in future years. In case the interest rate is higher, it will have an impact to the Company's operation since most of the Company's borrowings bear the floating interest rates. However, as at December 31, 2021 and 2020, the Company does not have any interest rate risk because the Company has only short-term borrowing which was sued (see Note 39.3.2).

#### 36.3 Exchange rate risk

There is no exchange rate risk from foreign exchange rate because the Company has no outstanding assets and liabilities balance dominated in foreign currency.

#### 36.4 Liquidity risk

The Company monitors its liquidity risk by maintaining its working capital sufficient for the Company's operation and to mitigate the effects of fluctuations in cash flows. In addition, the Company has future operation plans to ensure that the Company will have continuing cash inflow from its operation sufficiently.

#### 36.5 Fair value of financial instruments

For the fair value disclosures, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair value of financial instruments.

##### **Financial assets and financial liabilities measured at fair value**

Financial assets which are financial assets mandatorily measured at fair value through profit or loss and investments in equity instruments designated at fair value through other comprehensive income with fair value equally to its carrying amount which is measured using fair value hierarchy level 1. The fair value is determined based on last bidding price of the Stock Exchange of Thailand at the last working date of accounting period.

##### **Financial assets and financial liabilities not measured at fair value**

Cash and cash equivalents, trade and other current receivables, trade and other non-current

receivables, Current contract assets, Non-current contract assets, deposits at financial institution with restriction of use, retention receivables, trade and other current payables, current retention payables, non-current retention payables, current contract liabilities and other current liabilities has approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

Other borrowing with the floating interest rate and liabilities under finance lease agreement approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

#### **Non-financial assets measured at fair value**

Land and investment properties have fair value equal to its carrying amount which is measured using fair value hierarchy level 3 using value appraised by the independent appraiser licensed by the Securities and Exchange Commission which is determined by using the Market Approach method.

### **37. COMMITMENTS AND CONTINGENT LIABILITIES**

The Company has commitments and contingent liabilities as follows:

37.1 As at December 31, 2021 and 2020, the Company has letters of guarantee issued by the financial institutions of Baht 16.19 million and Baht 13.86 million, respectively. The Company has credit facilities for letters of guarantee issued by the financial institutions of Baht 16.19 million and Baht 13.86 million, respectively, which are guaranteed by the Company's deposits at financial institutions (see Note 8).

37.2 On February 24, 2021, the Company entered to into a borrowing agreement from a major shareholder which has unused had credit facility of Baht 50 million with interest rate of 7.50% per annum. The interest is calculated since drawdown date until such borrowing repayment completion date, for support its working capital. Interest repayments are made on a monthly basis and make repayment of principal on February 28, 2022, using its land as collateral.

Later, on April 1, 2021, the Company entered into an amendment of the borrowing agreement with such major shareholder by revising the unused credit facility from Baht 50 million to Baht 20 million and changing collateral from its land to be collateralized by the Company's director with the same other condition. In case that the shareholders of the Company pass a resolution approving the increase of the Company's registered capital, such loan agreement shall be implicitly canceled.

On October 12, 2021, the Extraordinary General Shareholders' Meeting passed a resolution to approve the increase of the registered share capital of the Company (see Note 26.4) and the Company entered into memorandum of cancellation of the borrowing agreement and other

conditions related to such the borrowing agreement from such major shareholder which is in accordance with the condition of such borrowing agreement.

37.3 On March 31, 2021, the Company entered into the borrowing agreement with a financial institution to increase liquidity for a periods 3 years from the signing date of the contract which will mature on March 31, 2024. The Company drew down the loan in full credit facility amount Baht 30 million in May 2021 with interest rate of 5.99% per annum. Interest payments are made on a monthly basis and make repayment of principal within maturity date which using its land as collateral (see Note 12). Later, on December 17, 2021, the Company repaid such borrowing in full amount and the Company is on process of redemption of such collateral.

37.4 Commitments to pay rental under the lease agreements for land and equipment in the future as at December 31, are as follows:

	2021 Baht	2020 Baht
Within 1 year	8,539,574	322,862
Later than 1 year but not later than 5 years	26,820,005	12,567

Rental under the lease agreements recognized as expenses in the statement of profit or loss and other comprehensive income for the years ended December 31, 2021 and 2020 in amount of Baht 0.73 million and Baht 9.32 million, respectively.

37.5 During the year 2018, the Company proposed and won the bidding for construction with a domestic company. However, the Company could not sign the construction contract within specified date. Subsequently, such domestic company announced the change of the list of bidder and such construction had already completed in May 2020. Subsequently, on January 21, 2022 the former managing director as an authorized director at that time received an order from the Comptroller General's Department, Ministry of Finance inform that the Company is job abandoner. However, the Company has not received any letter. On February 1, 2022, the Board of Directors' Meeting No. 2/2022 approved the appeal against such order within February 7, 2022. The Company's management believes that there is no material impact to the financial statements.

### 38. OPERATING SEGMENT INFORMATION

Operating segment information is reported to comply with the internal report that is prepared for decision in the allocation of resources to the segment and assess its performance. The chief operating decision maker is Chief Executive Officer.

Business segment

The Company operates only construction business. Therefore, the Company have a business segment and such business segment has recognized revenue overtime.

Geographical segment

The Company operates in only domestic. Therefore, the Company have only one geographic segment.

Information about transactions with major customers

The Company has revenues from construction contracts with external customers over 10% of the Company's total revenue. For the years ended December 31, 2021 and 2020, the Company had revenue from construction contracts from 1 major customer amounting to Baht 18.49 million and from 1 major customer amounting to Baht 53.42 million, respectively.

### 39. LITIGATIONS

39.1 On July 24, 2012, the Company sued a company (the "Contractor") for breach of the construction contract in the amount of Baht 100.23 million and such company sued counterclaim the Company in the same lawsuit in amount of Baht 281.02 million. However, as the Company has disclosed information to the Electronic Listed Companies Information Disclosure (ELCID). The Supreme Court has made the final judgment. The Contractor has to pay the Company to net of Baht 65.01 million with interest since the next date of prosecution until payment completion and the Contractor has to return the letter of guarantee (contract collateral) and the letter for advance receipt guarantee in total of 4 copies to the Company.

The brief information of the case before the final judgment by the Supreme Court can be summarized as follows:

On April 28, 2016, the Civil Court already rendered its judgment ordered the Company to pay the Contractor in amount of Baht 105.31 million.

On May 25, 2018, the Appeal Court rendered its judgment to reverse the Civil Court's judgment and ordered the Contractor to pay the Company net of Baht 43.69 million with interest since the next date of prosecution until payment completion which is the amount after deducted compensation to the Contractor of Baht 30.80 million, resulting in provision for loss on litigations as at December 31, 2019 amount of Baht 30.80 million.

Later, on October 28, 2020, the Supreme Court rendered its judgment to order the Contractor to pay the Company net of Baht 65.01 million with interest since the next date of prosecution until payment completion which is the amount after deducted compensation to the Contractor of Baht 3.62 million. Therefore, the Company recorded the reversal of provision for loss on litigations of Baht 30.22 million in the statement of profit or loss and other

comprehensive income for the year ended December 31, 2020 and transferred provision for loss on litigations to other payables of Baht 0.58 million as part of compensation to the Contractor according to Supreme Court's judgment. The remaining compensation of Baht 3.04 million was recorded as liabilities in the related accounts in the financial statements. Currently, the case is in process of execution by the enforcement officer.

Moreover, during 2017, the bank which issued letters of guarantee to such contractor on behalf of the Company deducted the Company's deposit at bank of Baht 12.31 million which consist of payment of letter of guarantee fee by Baht 7.52 million and payment of the obligations for letters of guarantee by Baht 4.79 million. The Company recognized payment of the obligations for such letters of guarantee by Baht 4.79 million and deducted of duplicate letter of guarantee fee by Baht 0.54 million totally Baht 5.33 million as other receivable - bank and presented as part of trade and other non-current receivables (see Note 5). However, the Company believes that the bank had no rights to deduct the Company's deposit at bank because the deduction occurred while the case has not resolved.

Subsequently, on May 25, 2018, the bank which issued letters of guarantee to such contractor on behalf of the Company sued the Company to make a payment according to a request for issuance the letters of guarantee of Baht 49.49 million. The Civil Court took evidence in June 2019 and on August 15, 2019, the Civil Court already rendered its judgment to dismiss the case and ordered the bank to return the money deducted from the Company's deposit at bank of Baht 12.31 million with interest since the date of prosecution until payment completion. In October 2019, the Company requested the Court to issue an execution warrant and meanwhile, bank appealed such case to the court. Subsequently, on September 22, 2020, the Appeal Court rendered its judgement to uphold the Civil Court's judgment. On December 4, 2020, the Court received certain payment from bank as the judgment. Later, on February 11, 2021 and October 21, 2021, the Company has received such payment of Baht 7.02 million and Baht 9.39 million, respectively.

- 39.2 On July 27, 2017, the Company was sued by 2 sub-contractors for breach of the construction agreements and the guarantee agreements due to termination made by the Company on July 13, 2017 with the claim amount of Baht 14.10 million.

Later, on October 11, 2017, the Company had submitted testimony and sued for counterclaim 2 sub-contractors in the amount of Baht 11.39 million. The Civil Court had ordered to accept testimony and sued for counterclaim. Later, the Court appointed the mediation of the case. On March 29, 2018, the parties could not agree together and accept to return the case to the court consideration process. The Civil Court had ordered to take evidence on October



16 - 18, 2018 and on November 27, 2018, the Civil Court rendered its judgment to order the Company to make payment to sub-contractors and return letter of guarantee.

Subsequently, during May 2019, the Company received the rights to claim sequestered notice from Legal Execution Department to sequester the rights of some cash at bank of the Company of Baht 0.99 million and the bank has already withdrawn such cash to the Legal Execution Department. Subsequently, on May 26, 2020, the Appeal Court rendered its judgement to reverse the Civil Court's judgment which ordered the sub-contractor to pay the Company of Baht 11.39 million with interest since the next date of prosecution until payment completion. The Company filed an execution under the Appeal Court's judgment and filed objection of the petition to Supreme Court of sub-contractors. Later, the Court ordered to accept petition of sub-contractors and suspend the execution. The Company submitted the supreme amendment on August 6, 2021. The case is being considered by the Supreme Court.

Later, on June 25, 2020, the Company has submitted a petition to withdraw the execution warrant as the Appeal Court judgment. On July 1, 2020, the court ordered the withdrawal of the execution warrant. On July 21, 2020, the Company already received sequestered money from Legal Execution Department. Therefore, provision for loss on litigations as at December 31, 2021 and 2020 are Baht 2.26 million. The management believes that the resultant losses will not significantly differ from the provision that is recognized in the financial statements.

39.3 The Company has been sued by other companies as defendants for breach of contracts relating to construction, hire-of-work, purchase of goods, services, hire employee and borrowing as follows:

39.3.1 As at December 31, 2020, the cases that the Court has rendered the judge compulsions to for 7 cases to order the Company to make compensation in amount of Baht 13.87 million. The Company has outstanding claim amount to be paid of Baht 2.46 million that were recorded that were recorded as liabilities in the related accounts in the financial statements (As at December 31, 2021 : Nil).

39.3.2 During the year 2020 and 2021, the Company was sued totaling 2 cases relating to breach of contracts relating to construction and borrowing with the claims totaling of Baht 17.81 million. The cases are currently under consideration by the Court. Meanwhile, the Company has pledged land and buildings of the Company (see Note 13) and land of the Company's former directors for the bail contract to suspend the execution under the judgment of the Civil Court from one of the cases. The Court scheduled a collateral hearing on May 9, 2022. As at December 31, 2021 and 2020, the Company has recorded as provisions for losses on litigations amounting to Baht

5.34 million and Baht 5.35 million, respectively, and liabilities in the related accounts in the amount of Baht 12.46 million and Baht 12.24 million, respectively. The Company's management believes that the resultant losses will not significantly differ from the liabilities recognized in the financial statements.

The Company recorded provisions for losses on litigations (see Notes 39.2 and 39.3.2) as at December 31, 2021 and 2020, totaling Baht 7.60 million and Baht 7.61 million, respectively.

#### **40. EVENTS AFTER THE REPORTING PERIOD**

- 40.1 On January 7, 2022, the Board of Directors' Meeting No. 1/2022 passed a resolution to approve sales unused fixed assets. The Company expects to complete the sale within May 2022.
- 40.2 On February 23, 2022, the Board of Directors' Meeting No. 3/2022 passed a resolution to approve the establishment 1 subsidiary which names PSGC (Laos) Company Limited that will be incorporated in The Lao People's Democratic Republic. The registered share capital is Baht 45 million.

#### **41. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were approved for issuance by the Company's Board of Directors on February 23, 2022.

# Part 4

## Data Authentication

## Statement of Data Authentication

The Company carefully reviewed data presented in this annual report and would like to guarantee that the data is correct, complete, not false, not misleading, and eligible to rely on scaled disclosure requirements. Moreover, the Company would like to guarantee that:

- (1) Financial report and financial data summarized in this One Report were presented correctly, comprehensively in terms of financial status, operational results and cash flows of the Company and its subsidiary (s).
- (2) The Company has set appropriate data disclosure systems to ensure that it comprehensively discloses significant information of itself and its subsidiary (s).
- (3) The Company has set out appropriate internal control systems to ensure practices in accordance rules and regulations. In addition, the Company disclosed information concerning internal control systems on February 23, 2022 to the auditor and the Audit Committee to mitigate limitations and significant changes of internal control systems which may affect the preparation of financial report of the Company and its subsidiaries.

In this regard, to be used as evidence that all documents are the same copy as the ones that the Company approved of, Ms. Pathamakorn Buranasin, Chief of Compliance Officer, was appointed to certify true copy in all pages. If any document does not bear the signature of Ms. Pathamakorn Buranasin, those documents should not be relied upon and disregarded.

Name	Position	Signature
● Mr. Van Hoang Dau	Chairman of Board of Directors and Authorized Director	.....
● Mr. David Van Dau	Chief Executive Officer and Authorized Director	.....

### Designated Person

Name	Position	Signature
Ms.Pathamakorn Buranasin	Chief Compliance Officer	.....

# Attachment 1

## Profile of Board of Directors, Executives, and Other Key Personnel

## Profiles of Directors

1. Mr. Van Hoang Dau			
Title	Chairman of the Board of Directors Authorized director		
Date of appointment	October 27, 2021		
Age	62 years old		
Shareholding proportion (%)	None		
Family relationship between the director and the management	Father of Mr. David Van Dau		
Educational degree	General, Atlanta Technical School, GA, USA		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/Company/Type of Business</b>
	2018 - present	Director	Luang Prabang Power Company Limited
	2012 - present	Director	Lao Coca-Cola Bottling Company Limited
	2008 - 2021	President	PT Sole Company Limited
	2016 - 2020	Director	CK Power Public Company Limited
	2010 - 2020	Director	Xayaburi Power Company Limited
	2008 - 2020	Director	Nam Ngum 2 Hydroelectric Power Company Limited
2008 - 2020	Director	Southeast Asia Energy Company Limited	

2. Mr. David Van Dau			
Title	Director Authorized Director Chairman of Executive Committee Member of Risk and Governance Committee Member of Nomination and Remuneration Committee Chief Executive Officer		
Date of appointment	October 27, 2021		
Age	38 years old		
Shareholding proportion (%)	None		
Family relationship between the director and the management	Child of Mr. Van Hoang Dau		
Educational degree	Bachelor's Degree of Economics, EMORY UNIVERSITY, GA, USA		
Training	Director Accreditation Program# 173/2563 (DAP) (English Program), Thai Institute of Directors (IOD)		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/Company/Type of Business</b>
	2020 - present	Director	CK Power Public Company Limited
	2020 - 2021	Director	Xayaburi Power Company Limited
	2020 - present	Director	Nam Ngum 2 Hydroelectric Power Company Limited
	2020 - present	Director	Southeast Asia Energy Company Limited
	2018 - present Dec. 2020 - present 2018 – Dec. 2020	Director, Member of Executive Committee, Managing Director	Luang Prabang Power Company Limited
	2012 - present	Director	Lao Coca-Cola Bottling Company Limited
	2010 - present	Chief Executive Officer	PT Sole Company Limited

<b>3. Pol. Gen. Chaiwat Getvorachai</b>			
Title	Independent Director Chairman of Audit Committee		
Date of appointment	October 27, 2021		
Age	61 years old		
Shareholding proportion (%)	None		
Family relationship between the director and the management	None		
Educational degree	<u>Doctoral Degree</u> Ph.D. in Criminal Justice Administration and Society, Suan Dusit Rajabhat University <u>Master's Degree</u> Master of Arts (Political Science#2), Ramkhamhaeng University <u>Bachelor's Degree</u> Bachelor of Public Administration, Royal Police Cadet Academy		
Training	Director Certification Program (DCP) # 2009, Thai Institute of Directors (IOD)		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/Company/Type of Business</b>
	Present	Qualified Director	Broadcasting and Telecommunications Research and Development Fund for Public Interest
	2018 - 2020	Deputy Chief of Police	Royal Thai Police
	2016 - 2018	Assistant Commissioner General	Royal Thai Police
	2015 - 2016	Commissioner of Provincial Police 1	Royal Thai Police



<b>4. Dr. Khammany Inthirath</b>			
Title	Independent Director Member of Audit Committee Chairman of Risk and Governance Committee		
Date of appointment	October 27, 2021		
Age	66 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	<u>Doctoral Degree</u> - Doctor of Development Economics (Investment Economics), National Economics University of the Socialist Republic of Vietnam <u>Master's Degree</u> - Master of Electrical Engineering, Krasnodar University, USSR		
Training	-		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	2015 – 2021	Minister of Energy and Mines	Lao People's Democratic Republic
	2011 – 2015	Vice Minister of Energy and Mines	Lao People's Democratic Republic
	2009 – 2011	Managing Director	EDL-Generation Public Company
	2007 – 2009	Acting Managing Director	EDL-Generation Public Company
	2006 – 2007	Deputy General Managing	EDL-Generation Public Company

5. Dr. Souphanh Keomixay			
Title	Independent Director Chairman of Nomination and Remuneration Committee		
Date of appointment	October 27, 2021		
Age	70 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	<u>Doctoral Degree</u> - Ph.D. in Economics, Social-Science Academy of Moscow, USSR <u>Master's Degree</u> - Master's Degree in economics, University of Donetsk, USSR		
Training	-		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	2016 – 2020	Minister of Planning and Investment	Lao People's Democratic Republic
	2010 – 2016	Governor of Savanna khet	Lao People's Democratic Republic
	2005 – 2010	Vice Governor of Savanna khet	Lao People's Democratic Republic

6. Mr. Nopadol Intralib			
Title	Independent Director Member of Nomination and Remuneration Committee Member of Risk and Governance Committee		
Date of appointment	November 9, 2021		
Age	72 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	- Barrister-at-Law, Gray's Inn, London, England - Barrister-at-Law, Thai Bar Association <u>Bachelor's Degree</u> - Faculty of Law, Chulalongkorn University (First-Class Honors)		
Training	-		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	2003 - present	Lawyer/ Managing Director/ Partner	The Legists Group Ltd.
	1989 - present	Interpreter and Translator Specialist	Court of Justice
	Present	Director	Schmidt Electronics (Thailand) Company Limited Schmidt Biomedtech (Thailand) Company Limited Potters (Thailand) Company Limited ETP Services Company Limited EPG (Thailand) Company Limited SMKT (Thailand) Company Limited Aeroservices Company (Thailand) Limited Emhart Teknologies (Thailand) Company Limited Black and Decker (Thailand) Company Limited
	2000 - 2003	Lawyer/ Executive Director/ Partner	White & Case (Thailand) Limited
	2000 - 2003	Partner	White & Case LLP, USA

7. Dr. Darnp Sukontasap			
Title	Independent Director Member of Audit Committee		
Date of appointment	November 9, 2021		
Age	64 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	<u>Doctoral Degree</u> - Ph.D. (International Law), Fletcher School, Tufts University <u>Master's Degree</u> - Master of Arts in Law and Diplomacy, Fletcher School, Tufts University <u>Bachelor's Degree</u> - B.A. (Political Science), Chulalongkorn University <u>Certificate</u> - Managing Global Business Program for Senior Executives, INSEAD, France <u>Scholarship</u> (1) Fulbright Scholarship, (2) John E. Peurifoy Fellowship, and (3) ASEAN Scholarship <u>Awards</u> - Alumni Awards of the Faculty of Political Science, Chulalongkorn University of the year 2019 - Outstanding Civil Servant (Ministry of Foreign Affairs) of the year 1993		
Training	Director Accreditation Program (DAP)# Year 2018, Thai Institute of Directors		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	Present	Director, Chairman	Black Ink Group (Thailand) Company Limited
	Present	Chairman	Vesak Capital Ventures Company Limited
	Present	Director, Chairman of the Executive Board	Export-Import Bank of Thailand (Exim Bank)
	Present	Director	International Institute for Trade and Development-ITD (Public Organization)
	Present	Advisor	Standing Committee on Foreign Affairs, Senate of Thailand
Present	Chairman and Governor of Thailand	Asia-Europe Foundation (Singapore)	

8. Mr. Prapas Vichakul			
Title	Independent Director Member of Audit Committee		
Date of appointment	October 27, 2021		
Age	66 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	<u>Master's degree</u> - M. Sc. (Geology), New Mexico Institute of Mining and Technology, New Mexico, USA <u>Bachelor's degree</u> - B.Sc. (Geology), Chulalongkorn University		
Training	- Director Certification Program (DCP)# 186/2557, Thai Institute of Directors (IOD)		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	2018 - present	Independent Director	Sahakol Equipment PCL (SQ)

<b>9. Mr. Dhana Buphavanich</b>			
Title	Director Member of Executive Committee		
Date of appointment	October 27, 2021		
Age	53 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	<u>Master's Degree</u> - Master of Finance, Pace University, USA <u>Bachelor's Degree</u> - Bachelor's Degree in Finance, Thammasat University		
Training	- Director Accreditation Program (DAP) of the year 2011, Thai Institute of Directors (IOD)		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	2018 - present	Senior Vice President	ThaiNamthip Company Limited
	2015 - present	Independent Director and Member of Audit Committee	Sermsang Power Corporation Plc.
	2015 - present	Director	The Whitespace Company Limited
	2011 - present	Director	The Master Car Rental Company Limited
	2561 – 2562	Director	Kulthorn Kirby Public Company Limited
	2560 – 2561	Vice President (Accounting)	Kulthorn Kirby Public Company
	2560 – 2561	Director	Kulthorn Premier Company Limited
	2560 – 2562	Director	Kulthorn Kirby Foundry Company Limited
	2560 – 2562	Director	Kulthorn Steel Company Limited
	2560 – 2562	Director	Kulthorn Controls Company Limited
	2560 – 2562	Director	Kulthorn Metal Products Company Limited
	2560 – 2562	Director	Kulthorn Research and Development Company Limited
	2559 – 2560	Director	Bevpro Asia Company Limited

10. Dr. Chaiyod Chirabowornkul			
Title	Director/ Member of Executive Committee		
Date of appointment	October 27, 2021		
Age	54 years old		
Shareholding proportion (%)	0.39		
Family relationship between the director and the management	-		
Educational degree	<u>Doctoral Degree</u> - PhD. In Business Administration, Kasetsart University <u>Master's Degree</u> - MS. In Engineering Management, University of Missouri-Rolla (Missouri, USA) - Ms. in Electrical Engineering, Louisiana State University (Louisiana, USA) <u>Bachelor's Degree</u> - BE. In Electrical Engineering, Chulalongkorn University		
Training	Director Certification Program (DCP) of the year 2013, Thai Institute of Directors (IOD)		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	2015 - present	Director Chief Executive Officer	The Whitespace Company Limited
	2011 – 2015	Chief Customer Officer	Total Access Communication Public Company Limited
	2007 – 2015	Management Committee	Total Access Communication Public Company Limited

## Profiles of Management

Ms. Somruedee Halilamien			
Title	Chief Financial Officer/ Member of Executive Committee/ Company Secretary		
Date of appointment	October 27, 2021		
Age	51 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	Master's Degree - Ms. Finance, The University of Colorado, USA Bachelor's Degree - B.Sc. in Statistics, The Faculty of Commerce and Accountancy, Chulalongkorn University		
Training	- Company Secretary Program (CSP) # gen 125/2022 - Financial Advisor License - Passing CFA Level 1 Examination		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	2018 - 2019	SVP, Finance & Accounting	Pruksa Real Estate Public Company Limited
	2018 - 2019	Director	Vimut Hospital Company Limited
	2016 - 2017	Head of Corporate Finance and Business Development (SEA)	Ek-Chai Distribution System Company Limited



<b>Ms. Pathamakorn Buranasin</b>			
Title	Chief Compliance Officer		
Date of appointment	November 19, 2021		
Age	40 years old		
Shareholding proportion (%)	0.04		
Family relationship between the director and the management	-		
Educational degree	<u>Master's Degree</u> - Master of Law (LLM) in International and Comparative law, The George Washington University, U.S.A. <u>Bachelor's Degree</u> - Bachelor of Law (Second Class Honors), Chulalongkorn University		
Training	- Institute of Legal Education of the Thai Bar - Director Certification Program (DCP) # 220/2559, Thai Institute of Directors (IOD) - Ultra Wealth Program #Gen 2 by Ultra Wealth Co., Ltd. - - Digital Transformation for CEO # Gen 2 by Nation Group		
Working experience in the 5 preceding years	<b>Period</b>	<b>Position</b>	<b>Work unit/ Company/ Type of Business</b>
	Mar 2021 – Nov 2021	Director Member of Executive Director Managing Director	T Engineering Corporation Public Company Limited
	2015 – Nov 2021	Deputy Managing Director (Central Administration Division)	T Engineering Corporation Public Company Limited
	2017 – 2018	Director	T Asset Management Company Limited
	2016 – Nov 2021	Company Secretary	T Engineering Corporation Public Company Limited
	2015 – Jul 2015	Legal Advisor	The Capital Law Office Limited
	2009 – 2015	Legal Advisor	Weerawong, Chinnavat & Peangpanor Limited

<b>Mr. Rassamee Youpanich</b>			
Title	Chief Engineer		
Date of appointment	October 27, 2021		
Age	61 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	<u>Bachelor's Degree</u> - Bachelor of Engineering, Rajamangala University of Technology Thewet		
Training	-		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	Aug 2021 – Oct 2021	Technical Advisor	PT Sol Company Limited
	Jan 2020 – Jan 2021	Technical Advisor	Hongsa Power Company Limited
	2016 – 2020	Head of O&M	Hongsa Power Company Limited
	2011 – 2016	Head of Construction	Hongsa Power Company Limited

<b>Miss Potida Ratanashodi</b>			
Title	Chief Operating Officer		
Date of appointment	October 27, 2021		
Age	53 years old		
Shareholding proportion (%)	-		
Family relationship between the director and the management	-		
Educational degree	<u>Master's Degree</u> - Master of Finance, The University of Colorado, USA  <u>Bachelor's Degree</u> - Bachelor's Degree in Accounting, Thammasat University		
Training	-		
Working experience in the 5 preceding years	<b>Period</b>	<b>Title</b>	<b>Work unit/ Company/ Type of Business</b>
	Nov 2021 – present	Chief Operating Officer	PSG Corporation Public Company Limited
	Jul 2012 – Mar 2021	SVP – Business Operation Division, Sales Group Business Operation	Total Access Communication Public Company Limited

# Attachment 2

## Directors of Subsidiary Companies

As of December 31, 2021, the Company did not have any subsidiary companies.

# Attachment 3

## Profile of Head of Internal Audit and Head of Compliance

**Internal Auditor (from the external firm)**

<b>Name</b>	Ms. Somjaree Kaewkormdee, Certified Professional Internal Audit of Thailand (CPIAT)
<b>Current Position</b>	Managing Director and Internal Audit Manager Dharmniti Internal Audit Co.,Ltd.
<b>Education</b>	Bachelor's Degree in Accounting, Burapha University

**Experiences**

2006 – 2008	Internal auditor	Internal auditor, Dharmniti Internal Audit Co.,Ltd.
2009 – 2010	Senior internal auditor	Internal auditor, Dharmniti Internal Audit Co.,Ltd.
2011 – Jun 2016	Asst. Manager	Internal auditor, Dharmniti Internal Audit Co.,Ltd.
Jun 2016 – present	Managing Director, Internal Audit Manager	Internal auditor, Dharmniti Internal Audit Co.,Ltd.

**Training**

Internal Audit #Gen 1-2

Risk Management

COSO 2013: Theory and Practices

Maintenance and Improvement of Internal Audit Quality

Self-assessment of anti-corruption measures

Guidelines of Investigation and Detection of Corruption

International Standards for the Professional Practice of Internal Auditing

Training for CIA Part II Test, Federation of Accounting Professions

Training, Internal Audit Program: Prepared Course for Certified Internal Auditor (Pre-CIA),  
Chulalongkorn University

Asian Confederation of Institutes of Internal Auditors Conference 2018 (Malaysia)

**Roles & Responsibilities of Internal Audit Leader**

1. Allocate the team's internal auditors based on issues of audit
2. Review and control work standards of internal auditors in compliance with the specified standard
3. Develop annual audit plan to seek for approval from the Audit Committee
4. Prepare information for audit notifications, make an appointment with auditees and inform other information
5. Review Audit Program of each audit issue in annual audit plan in accordance with the audit's objectives and the organization's goals
6. Assess the adequacy, accountability, and correctness of the Company's internal audit system
7. Review the audit reports and monitor work performance results according to recommendations
8. Prepare audit Report for the Executives and the Audit Committee's considerations

9. Develop the team's internal auditors at all level to ensure knowledge and ability as well as evaluate performance of the auditors
10. Give advice on the internal control system and risk management

### **Profile of Internal Audit Manager**

Mr. Chayasak Naosuwan, Senior Internal Auditor, Quality Management Asst. Representative

#### **Education**

Bachelor's Degree in Business Administration majoring in Finance and Banking, Ramkamhaeng University

#### **Work Experiences**

2017 - 2018      Senior Warehouse Officer

2018 - current    Senior Internal Auditor, Quality Management Asst. Representative

#### **Training**

Requirement and Interpretation of ISO 9001:2015

Internal Quality Audit ISO 9001:2015

Quality Management System : Instructor and Consultant ISO9001:2015

Interpretation Requirement ISO 9001:2015, IATF 16949:2016

Interpretation Risk Assessment ISO 9001:2015, IATF 16949:2016

Interpretation IQA and MRW ISO 9001:2015 & IATF 16949:2016

Statistical Process Control (SPC)

Failure Mode and Effects Analysis (FMEA)

Product Part Approval Process (PPAP)

Advance Product Quality Planning (APQP)

Measurement System Analysis (MSA)



## Profile of Head of Compliance

Ms. Pathamakorn Buranasin			
Title	Chief Compliance Officer		
Date of appointment	November 19, 2021		
Age	40 years old		
Shareholding proportion (%)	0.04		
Family relationship between the director and the management	-		
Educational degree	<u>Master's Degree</u> - Master of Law (LLM) in International and Comparative law, The George Washington University, U.S.A. <u>Bachelor's Degree</u> - Bachelor of Law (Second Class Honors), Chulalongkorn University		
Training	- Institute of Legal Education of the Thai Bar - Director Certification Program (DCP) # 220/2559, Thai Institute of Directors (IOD) - Ultra Wealth Program #Gen 2 by Ultra Wealth Co., Ltd. - Digital Transformation for CEO # Gen 2 by Nation Group		
Working experience in the 5 preceding years	<b>Period</b>	<b>Position</b>	<b>Work unit/ Company/ Type of Business</b>
	Mar 2021 – Nov 2021	Director Member of Executive Director Managing Director	T Engineering Corporation Public Company Limited
	2015 – Nov 2021	Deputy Managing Director (Central Administration Division)	T Engineering Corporation Public Company Limited
	2017 – 2018	Director	T Asset Management Company Limited
	2016 – Nov 2021	Company Secretary	T Engineering Corporation Public Company Limited
	2015 – Jul 2015	Legal Advisor	The Capital Law Office Limited
	2009 – 2015	Legal Advisor	Weerawong, Chinnavat & Peangpanor Limited

# Attachment 4

## Operating Assets and Detail of Asset Appraisal

## Operating Assets

### Core Assets

As at December 31, 2020, book value of key fixed assets of the Company are as follows.

#### *Land with Buildings*

Asset Information	Location	Area (Rai-Ngan- Square wah)	Objectives of usage	Ownership	Book Value (THB million)	Obligation
Land with buildings (2 units of 3-storey townhouse)	Title deed number 20776, 21572 and Building Number 242, 244 Krung Thonburi Road, Khlong Ton Sai, Khlong San, Bangkok	0-0-53	Location of the Headquarter	The Company	Land 12.19 Building 1.78	None
<b>Total</b>					13.97	

#### *Tools, equipment, and other fixed assets.*

Items	Book Value (THB million)
Furniture, Fixtures and Office equipment	1.72
Machinery and Equipment	3.75
Motor Vehicles	0.77
<b>Total</b>	<b>6.24</b>

### Investment Policy in Subsidiaries and Associated Companies

As at December 31, 2021, the Company did not have any subsidiaries.

# Attachment 5

## Corporate Governance Policy and Practice Guidelines, and Business Code of Conduct (Full Version)

The Company has stated Corporate Governance Policy and Business Code of Conduct on the Company's website ([www.psgcorp.co.th](http://www.psgcorp.co.th)) under the heading "Corporate Governance"

# Attachment 6

## The Audit Committee's Report

## Report of the Audit Committee

The Company established the Audit Committee, which consists of four independent directors with knowledge, expertise, and experience relevant to the Company's operations, with the following composition and qualifications in accordance with the regulations of the Thai Stock Exchange.

- |                                               |                                 |
|-----------------------------------------------|---------------------------------|
| 1. Pol. Gen. Chaiwat Getvorachai <sup>1</sup> | Chairman of the Audit Committee |
| 2. Mr. Prapas Vichakul <sup>1</sup>           | Member of the Audit Committee   |
| 3. Dr. Khammany Inthirath <sup>1</sup>        | Member of the Audit Committee   |
| 4. Dr. Darnp Sukontasap <sup>2</sup>          | Member of the Audit Committee   |

The Audit Committee has undertaken tasks independently within the boundaries of its authority and obligation to guarantee that the Company conducts business operations with transparency, humility, and fairness, while maintaining good corporate governance and maximize shareholder benefit. Executives, staff, the internal auditor, and the external auditor have all worked well with the Audit Committee. In 2021, the Audit Committee convened six meetings and collaborated with the internal auditor, the external auditor, executives from the Accounting and Finance Department, and Operations to exchange ideas and viewpoints. However, due to a change in the Company's Board of Directors in the fourth quarter of 2021, the new Audit Committee only attended the meeting once in 2021 (1 out of a total of 6 meetings).

### Summary the Audit Committee's Activities

#### *Review of the financial statement*

The Audit Committee has reviewed the quarterly and annual financial statements for the fiscal year 2021 and believes they are in accordance with legislative laws, comprehensive in substance, and in accordance with generally accepted accounting standards. Furthermore, information in the financial statements and the accompanying note is disclosed in a comprehensive, adequate, and timely manner for the benefit of shareholders and financial statement users. The Audit Committee attended auditor meetings, where all auditors were free to express their opinions, fulfilled their duties and obligations, and analyzed the financial statements to ensure that the Company published the financial reports correctly and with adequate information.

<sup>1</sup> Appointed as the Company's director and member of the Audit Committee on October 27, 2021.

<sup>2</sup> Resigned from the Company's Board of Directors and the Audit Committee on October 27, 2021 and reappointed as the Company's director and member of the Audit Committee on November 9, 2021.

### *Review of the Effectiveness of the Internal Control System*

The Audit Committee examined the adequacy and applicability of the Company's internal control system and determined that it is adequate for business operations, based on the report of the Company's internal auditor. In doing so, the Audit Committee evaluated the internal auditor's quarterly audit report in order to evaluate the internal control system, risk management, and financial statement accountability. The Audit Committee has also evaluated the audit monitoring reports to ensure that the Company is able to fix problems in a timely manner by following up on the improvements based on the suggestions. Furthermore, the Audit Committee has supported the improvement of audit job quality, made proposals for the benefits of boosting the efficiency of the internal audit system, and has constantly monitored the results.

### *Review of Connected Transactions*

The Audit Committee reviewed connected transactions, or transactions that might have conflicts of interest in order to promote appropriate information disclosure and benefit the Company and its shareholders.

### *Assessment of Audit Committee*

The Audit Committee has undertaken annual self-assessments in accordance with good practice recommendations, utilizing evaluation forms specified by the Stock Exchange of Thailand and tailored to suit the Company's business operations. The assessments revealed that the Audit Committee successfully carried out their duties in accordance with the scope of authorities and responsibilities provided in the Audit Committee Charter.

### *Review of Good Corporate Governance*

The Audit Committee has assessed the business operations to ensure that they are in accordance with rules and regulations, the Company's codes of conduct, and the laws applicable to the Company's activities, in order to build trust among shareholders and stakeholders. The Board of Directors is strictly committed to governing and controlling the Company in order to conduct business more efficiently and effectively in accordance with good corporate governance principles, which will be reviewed and improved to suit the Company's business at least once a year.



### *Appointment of the Auditor*

The Audit Committee selected the external auditors and recommended them to the Board of Directors for Shareholders Meeting approval. The Shareholders Meeting approved the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as external auditors for the fiscal year 2021. The Audit Committee made decisions based on accountability, independence, knowledge and experience in audit work, and provision of accounting-based consulting advice. Furthermore, the Company's external auditors had no financial or other connections with the Company, its subsidiaries, executives, major shareholders, or related parties. The external auditors were likewise independent in conducting the audit and providing judgments on the Company's financial statements.

### **Conclusion of the Audit Committee**

In conclusion, the Audit Committee has supervised operations in accordance with the extent of authority and responsibility and would provide an opinion on the basis that the Board of Directors and executives have committed to performing their tasks at full capacity in order to achieve the goals. They place a high priority on work activities that are efficient, effective, transparent, and verifiable. The financial statements were prepared appropriately in accordance with generally accepted accounting principles. The Company has provided enough disclosure of related transactions or transactions that could result in a conflict of interest, as well as a suitable internal control system and risk management for the business conditions and in line with applicable laws.

Pol. Gen. Chaiwat Getvorachai  
Chairman of the Audit Committee