



CAZ (Thailand) Public Co., Ltd.



# Build for better tomorrow



**CAZ (Thailand) Public Co., Ltd.**

Annual Report 2021  
(Form 56-1 One Report)

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

# Vision

# Mission

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

To develop  
engineering service  
capabilities and expand  
international  
markets.

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

# Message

## from the Chairman of the Board

The new wave of Coronavirus 2019 (COVID-19) outbreak situation in Thailand throughout 2021 caused the Company to adjust business processes in accordance with limitations on economic and social aspects, a new normal. The Company's executives have therefore specified risk management measures for proceeding cautiously. In its internal management, the Company communicated to employees their respective cautious self-protection and adherence to COVID-19 prevention measures as specified by authorities, placed importance in the setting up of work environment which is pandemic-free, and promoted employee hygiene in compliance with the Company's highest standard of measures. In its cooperation with suppliers and business partners, the Company jointly planned work, closely coordinated through meetings to discuss and consult in relation to mutually accepted work plans, and promoted cooperation and teamwork to deliver high-quality output to project owners.



The Board of Directors would like to express appreciation to all executives and employees, who have together managed various risk factors, which have emerged, with care and caution throughout 2021. This resulted in high achievement of the Company's operating results, to satisfaction. The Company generated THB 2,199 million in total revenues and THB 138 million in net profit, and had THB 1,973 million in total assets, reflecting an 18% increase from 2020. The Company additionally developed space and office building at Pluak Daeng District, Rayong Province, with the aim to advance the quality of occupational health management for employees, leading to increased production capacity, reduced assembly cost, and enhanced personnel productivity to THB 5.1 million per person per year. In terms of marketing, the Company has construction contracts not yet recognized as revenue of THB 3,989 million in backlog as at the end of 2021, and has allocated a budget for investment in digital technology machinery and equipment to increase production efficiency and propel the Company's potential in generating higher revenues in the coming years.

Business environment in 2022 still holds a number of new risk factors and complications in management, no less than the previous year. As a result, the Board of Directors continues to place emphasis on close corporate governance in all aspects to deliver quality work to project owners on time, support executives in more effectively managing risks and enforcing internal control, and promote compliance among employees in proceeding in line with business ethics and honesty for the fair benefits of business partners, cooperation partners, and all stakeholders.

On behalf of the Board of Directors and executives of the Company, I would like to express gratitude to shareholders who have placed confidence and trust in the Company, and supported the Company's business well throughout the years. The Company strives to enhance the quality of business management through transparent disclosure of information, cautious risk management, continuous business process improvement for efficiency, and review of operations in all aspects for utmost efficiency, to gain acceptance by project owners and players in the energy, petroleum, and petrochemical industries domestically and internationally.

Mr. Narongrit Tavornvisitporn  
Chairman of the Board of Directors



# Message

## from the Chief Executive Officer

CAZ (Thailand) Public Company Limited (“the Company” or “CAZ”) operates its business since 2014, in providing a comprehensive range of construction related services to target customers, which are petrochemical plants, oil refinery, power plant and other infrastructures. The Company’s operation is wider than any other companies. We’ve provide Engineering, Procurement, and Construction services for every discipline of work such as civil and building works, structure piping and mechanical works, and electrical & instrument works, through our own manpower and worker without subcontracting. Meanwhile, the Company’s objective is to create the most customers’ satisfaction and be able to delivery projects with efficient quality and safety according to schedule which specified in the contract.

In 2021, Thailand’s economy expanded by 1.6% which was lower than estimation (and it has the expectation to expand in 2022 at the range between 3.4% to 4.5%). The reducing of economic expansion resulted from the investment of private sectors lower than projection caused by the delay of investing such from some large infrastructure projects both in EEC and other areas. Due to the delay of contractor’s selection process and delivered construction areas to private sectors. Including, the uncertainty of COVID-19 (Omicron) epidemic which reflecting to the slowdown of private sectors’ investment plans as well. However, in 2021, the Company continually received many construction projects, these because of the Company’s strive to deliver construction projects on time which are specified in milestone as contract conditions. Its leads the confidence and trustworthiness of project owners and main contractors. By these reason, the Company’s operating results of the year ended 2021, presented as consolidated financial statements which has total revenue from construction contracts amounting to Baht 2,195 million. Including, total backlog amounting to Baht 3,989 million. Moreover, the Company determining to be a leader in the construction services industry with having most competitive capabilities and potential, playing a part of prosperity of Thailand in steadily and sustainability.

Regarding, the Company’s objectives to have the sustainable and stability growth, on behalf of the Chairman of Executive Committee and CEO, I would like to promise that I’ll keep moving forward to do the best of managing and performing in order to achieve the Company’s goals. In addition, I would like to take this opportunity to express sincere appreciation to our customers, shareholders, investors, business partners and all related parties who continue to show unwavering confidence in the Company. Last, I would like to thank the directors, management team and all employees for their efforts, dedication, patience, and honesty in order to achieve the Company’s goals throughout the past year.



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

Mr. Chung Sik Hong  
Chairman of Executive Committee /  
Chief Executive Officer





# General Information

**Symbol : CAZ**

**Company Name**

CAZ (Thailand) Public Company Limited

**Registration Number**

0107561000145



**Head Office**

239 Huaypong-Nongbon Road, Huaypong Sub-district, Muang Rayong District, Rayong



[www.caz.co.th](http://www.caz.co.th)



[info@caz.co.th](mailto:info@caz.co.th)



038-606-242



038-606-166

**Nature of Business**

Full-range contractor services (EPC), structure and system installation, civil construction, fabrication works and other services in the oil & gas and petrochemical industry.

**Registered Capital**

**THB 147,000,000**

(One hundred and forty million baht)

**Issued and Paid-up Capital**

**THB 146,999,876**

(One hundred and forty million baht)

(As at 11 May 2021)

**Number of Shares**

**293,999,752 shares**

**Par Value**

**THB 0.50 per share**

**First Trade Date**

**22 Jan 2019**

**Investor relation**

Ms. Nattiya Charusombat

☎ 038-606-242 Ext.516

✉ [info@caz.co.th](mailto:info@caz.co.th)

**Company Secretary**

Ms. Nattiya Charusombat

☎ 038-606-242 Ext.516

✉ [Nattiya.p@caz.co.th](mailto:Nattiya.p@caz.co.th)

## Other Related Parties

**Auditor**

KPMG Phoomchai Audit Limited

48<sup>th</sup> – 50<sup>th</sup> Floor, Empire Tower 1 Sathon Road,

Yanaawa, Sathon, Bangkok 10120

☎ 02-677-2000

**Internal Auditor**

Dharmniti Internal Audit Company Limited

5<sup>th</sup> Floor, Dharmniti Building, 178 Soi Prachacheun 20,

Prachacheun Road, Bangsue, Bangkok 10800

☎ 02-596-0500

**Securities Registrar Common Shares**

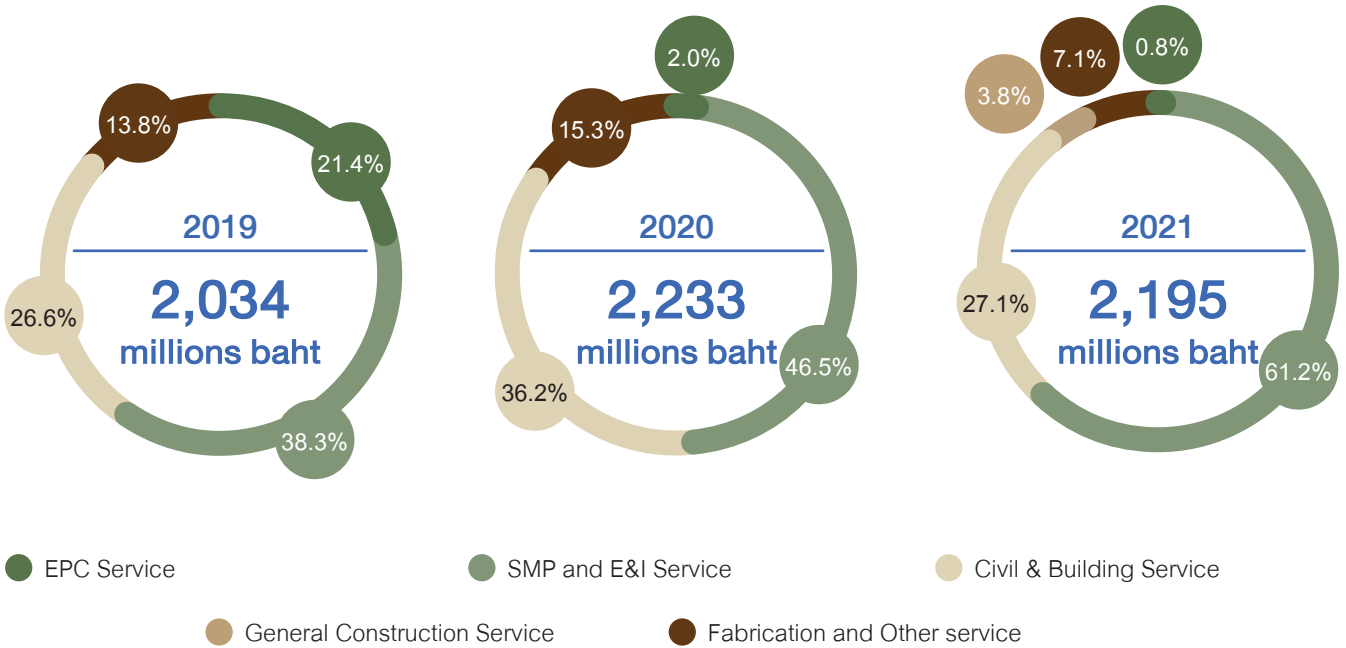
The Stock Exchange of Thailand

The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400

☎ 02-009-9999

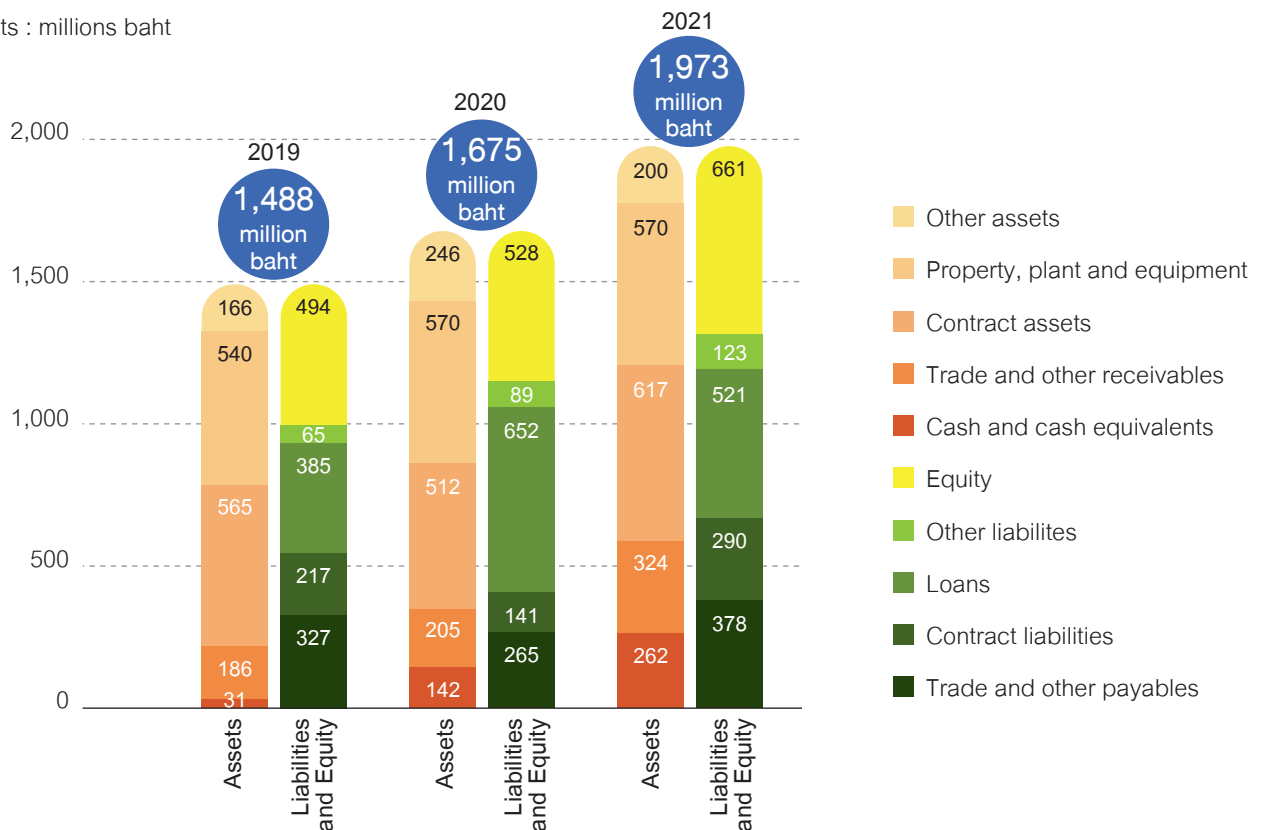
# Financial Highlight

## Revenue from construction services



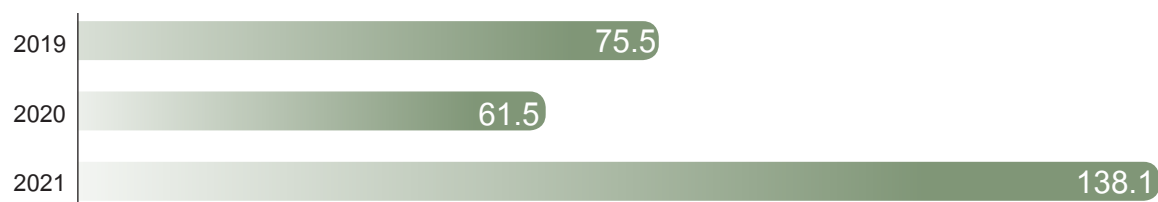
## Statement of Financial Position

Units : millions baht



## Operating results

Net profit attributable to owners of parent (Million Baht)



## Financial Ratio

Units : Percentage (%)



\*Divided by number of ordinary shares outstanding (basic) 2021





# Highlight Projects

PTTGC Olefins Reconfiguration, Package #2, 3, 4, 5 (SMP)

PTTLNG Receiving Terminal Nongfab Project, (Piping)



PTTLNG Receiving Terminal Nongfab Project, (Structure and Mechanical)



PTTLNG Receiving Terminal Nongfab Project, 28" Interconnecting Pipe Line (Piping)

PTTLNG Receiving  
Terminal Nongfab Project  
(Civil)



THAIOIL Clean Fuel  
Project (Civil) WBS-A





THAIOIL Clean Fuel Project  
(Civil & SMP) CFB Boiler



PTT GC OMP Project (General Construction)

# Board of Committee



Mr. Narongrit Tavorntvisitporn

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



Mr. Natie Tabmanie

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



Mr. Yingyong Techarungnirun

- Independent Director
- Audit Committee Member



Mr. Somchai Kanbuakaew

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



Mr. Chung Sik Hong

- Director (Authorized Director)
- Chairman of the Executive Committee
- Chief Executive Officer
- Chairman of the Risk Management Committee



Mr. Prasert Treeveeranuwat

- Director
- Executive Committee Member
- Risk Management Committee Member



Ms. Nita Treeveeranuwat

- Director (Authorized Director)
- Executive Committee Member



Ms. Kanchana Rimpanichayakij

- Director



Mr. Yeong Cheol Choi

- Director

# **Section 1**

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**Operational structure  
of the group of companies**

# Operational Structure

## of the group of companies

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

### Strategy and Business Goals

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#### Strategy

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

#### Business Goals

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

#### Major Changes and Milestones

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

2014

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

2015

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



2016

- Issued 40,000 new shares for a total amount of THB 4.00 million to TT to increase TT's shareholding portion in the Company from 47.72% to 51.30%, changing the Company's status as being TT's associate company to being a subsidiary, with paid-up capital of THB 58.50 million, comprising of 585,000 shares with par value of THB 100 per share.
- The Company purchased land, together with office building and factory building, covering 108 rais and equipment for a total value of THB 285.00 million, located at 239 Huaypong-Nongbon Road, Huaypong Sub-district, Muang Rayong District, Rayong. This for support the Company sale's growth.
- The Company invested in JKEC Company Limited (JKEC), a civil and foundation work construction service provider. The Company held 21,000 shares in JKEC, reflecting shareholding portion of 51.22% of paid-up capital, as part of cost control initiative for projects undertaken by the Company involving civil and foundation work.

2017

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

2018

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

2019

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

2020

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

2021

- The company was registered with the Ministry of Commerce on May 11, 2021 to increase the registered capital from of Baht 140 million to the registered capital of Baht 147 million to support the dividend payment of Baht 7 million baht. By issuing new ordinary shares in the amount of Baht 14 million, with a par value of 0.50 baht per share. Resulting, a total issued and paid-up capital of Baht 147 million.
- The company received the international standard for Occupational Health and Safety Management (OH&S: Occupational Health and Safety Management) (ISO 45000:2018). To help reduce wastage, accidental injuries, and protect employees' health from work. Additional, to create a better working environment for employees in the workplace.
- The company signed a construction contract of Olefins Plant Modification Project I-4/2, totaling of Baht 961 million, which is general construction to provide comprehensive of civil engineering and steel structure construction. As of December 31, 2021, the Group has backlog total value of Baht 3,989 million.

## Nature of Business

Revenue structure for 2019 - 2021 by the business segment could be divided into 4 categories as follows.

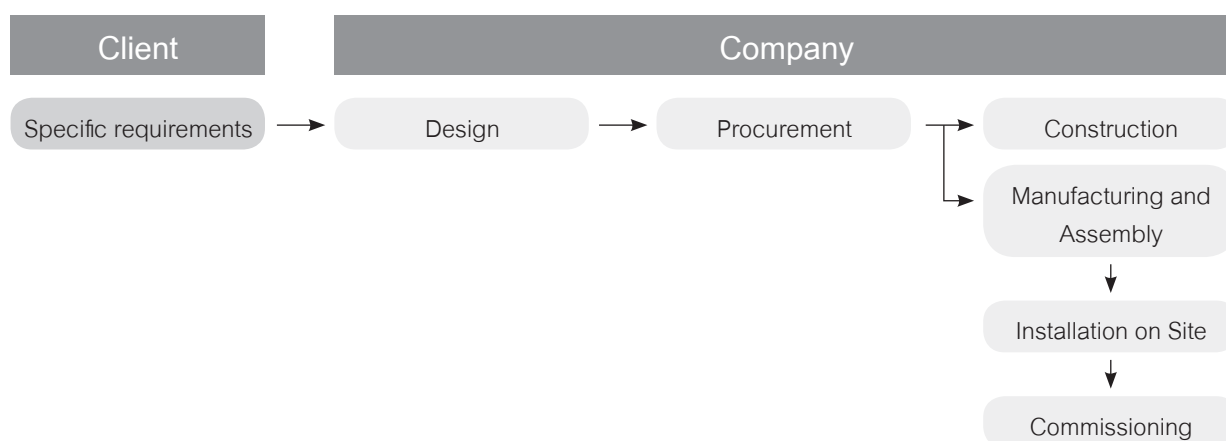
Type of Business	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Engineering, Procurement and Construction (EPC) Service	434.44	21.29	44.98	2.01	17.70	0.80
SMP & E&I Services	778.26	38.14	1,037.52	46.39	1,343.50	61.09
Civil and Building Service	540.30	26.48	808.40	36.15	595.60	27.08
General Construction Service	-	-	-	-	82.56	3.75
Fabrication and Other Service	281.46	13.79	342.16	15.30	155.34	7.06
<b>Total Revenue from services</b>	<b>2,034.46</b>	<b>99.70</b>	<b>2,233.06</b>	<b>99.85</b>	<b>2,194.70</b>	<b>99.79</b>
Other income <sup>1/</sup>	6.19	0.30	3.37	0.15	4.53	0.21
<b>Total revenue</b>	<b>2,040.65</b>	<b>100.00</b>	<b>2,236.43</b>	<b>100.00</b>	<b>2,199.24</b>	<b>100.00</b>

Remarks: <sup>1/</sup> Other income comprises of rental income from lease of office spaces and sales of scrap metal or other unused assets

## Description of Business

The Company has experiences and operates the business as engineering service provider to clients in the oil, gas, and petrochemical industry. The nature of business provided by the Company and its subsidiaries could be divided into 4 categories as follows.

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



The kinds of services could be categorized as follows.

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

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

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

Projects Example of EPC Service

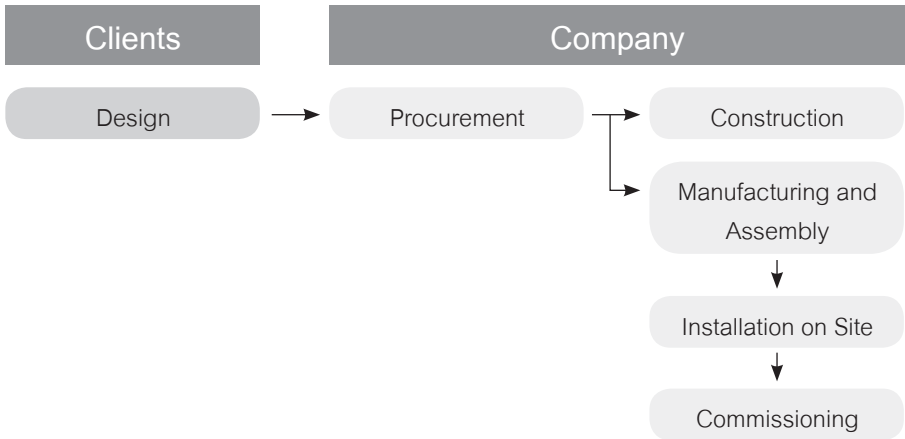


Project : PTT Tank Terminal Propylene Spherical Tank  
Propylene Storage 4,000 tons.



Project : BCP Enclosed Ground Flare (EGF).

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



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

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

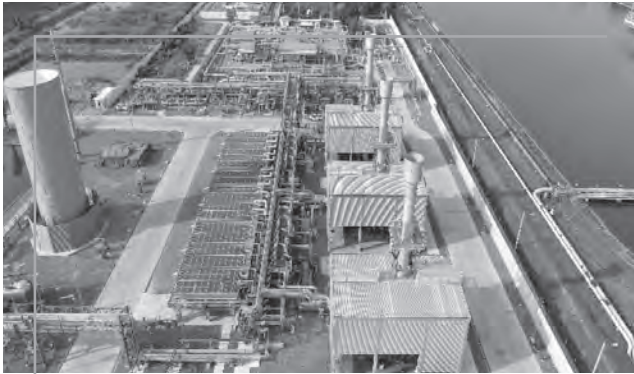
2.2 **Mechanical (and electrical) work:** The Company procures, assembles and installs machinery and equipment as per clients' request.

2.3 **Piping:** The Company assembles, installs (this includes the assembly, installation,) and welding of pipes used in transmission pipeline of liquid and gas, such as oil and solvents, in accordance with the design instruction set for industrial factories such as petrochemical plant, oil refinery plant and power plant. Most of the time clients would prepare customized pipes from overseas or through importers because it is mostly unable to be produced locally, with the customized pipes usually made from specialized

metal materials that contain special properties. Such customized pipes are seamless steel pipes with large diameter, thicker when compared to standard industrial pipes such as carbon steel (pipes), stainless steel (pipes), and alloy (pipes), produced from various mix of metal materials including carbon, nickel, stainless steel, and titanium alloys depending on the requirement. The assembly and installation of such customized pipes require special technique and technical expertise such as x-ray or post-weld heat treatment to release internal pressure, to deliver products that meet quality standards. As these pipes will be used in heavy industries, attention needs to be given to the properties they hold including pressure level, heat, pH balance, and resistance to corrosion to prevent damage to the overall production process.

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

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

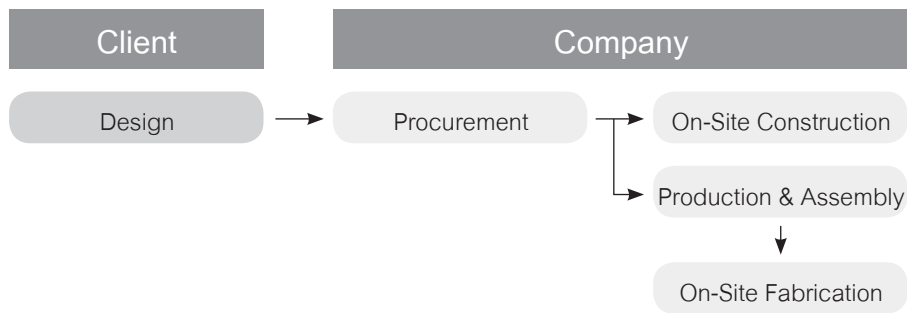


Project : Wangnoi Compressor Station

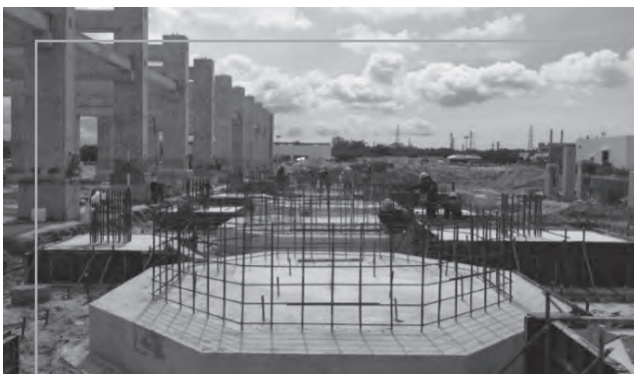


Project : Clean Fuel

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



Examples of Civil Engineering Work



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



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

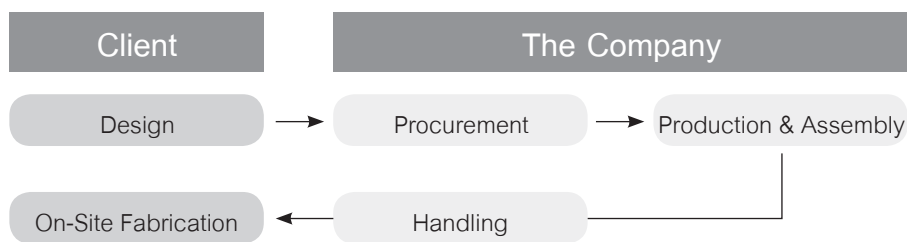
4. **General Construction Service:** The Company provide the comprehensive of civil and structure service which are serve for foundation, infrastructure, and building works. Including, steel structure works, piping and mechanical installation for industry, energy and petrochemical business.

#### Examples of General Construction Service



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

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



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

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

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

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

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

## Examples of Shop Fabrication Work



Furnace &amp; Heater



Heat Exchanger Fabrication



Bending Work



Drilling and Cutting Work



Heat Pipe Fabrication



Heat exchange pipe fabrication and assembly

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

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

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

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

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

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

## Marketing Nature of Competition

### Policies and Nature of Marketing

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

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

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

**Timely delivery and service quality** Normally, the Company uses around 4-24 months starting from the contract execution until delivery of work, depending on the complexity of the project. The Company focuses on timely delivery of work, which is a key factor taken into consideration when clients choose to engage a contractor for construction or production. To ensure timely delivery, the Company will investigate the procurement period and estimate the time needed in each process prior to accepting a project. In addition, the Company has a production control division to monitor and ensure that work process is in accordance with standards and set plan, as well as adopts new technology in the work process to further enhance efficiency and personnel capabilities, focusing on continuous training and cultivating efficient teamwork which would reduce working hours required as well as limit potential errors. As a result, the Company is able to deliver quality work in a timely manner as per clients' request.

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

### Target customers

The Company services clients in oil, gas, and petrochemical-related industries including crude oil refinery, petrochemical plants especially for PTT group, which has a comprehensive range of businesses including drilling and processing of natural gas, oil refinery, and petrochemical products. The proportion of customer type will vary from year to year depending on bidding opportunities from target customers and the Company's decision on project engagement. Revenues classified by project types in 2019 – 2021 are as follows:

### Revenue Contribution by Project Type

Unit: THB Million

Revenue by project type	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
<b>Petrochemical</b>	1,841.43	90.51	1,748.62	78.31	1,178.45	53.70
PTT and its subsidiaries <sup>1</sup>	1,256.90	61.78	1,351.21	60.51	1,150.85	52.44
Other companies <sup>2</sup>	584.53	28.73	397.41	17.80	27.60	1.26
<b>Gas</b>	164.55	8.09	484.44	21.69	1,016.25	46.30
PTT and its subsidiaries <sup>1</sup>	164.55	8.09	484.44	21.69	1,016.25	46.30
Other companies <sup>2</sup>	-	-	-	-	-	-
<b>Power plant</b>	28.47	1.40	-	-	-	-
PTT and its subsidiaries <sup>1</sup>	28.47	1.40	-	-	-	-
Other companies <sup>2</sup>	-	-	-	-	-	-
<b>Others</b>	-	-	-	-	-	-
<b>Total</b>	<u>2,034.46</u>	<u>100.00</u>	<u>2,233.06</u>	<u>100.00</u>	<u>2,194.70</u>	<u>100.00</u>

Remark: <sup>1</sup>PTT and its subsidiaries include PTT, PTTGC, PTTLNG, PTT TANK, Thai Oil, IRPC

<sup>2</sup>Other companies are companies in the petrochemical, gas and power plant industry



## Distribution channels and Type of Contract

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

### (1) Main Contractor

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

### (2) Project Owner

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

Revenue by the type of contract in 2019 - 2021



### (3) Sourcing and process of Bids

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

Prior to the bid, the Company will request documents relating to the bid from clients such as Term of Reference (TOR), criteria, and construction design to conduct studies into the project. Executives will delegate the study the information and conduct quantities take-off to the price estimation team to ultimately prepare a preliminary quotation. The take-off must be in terms of quantities and price per unit, until conclusion is reached, and would then be presented to the working team and executives for joint discussion

on whether or not the Company would participate in the bid. Should the Company decide to participate, related parties would consider the bid price. In case the Company wins the bid, the Company will host meetings with relevant parties such as project consultant, engineering team, and executives, to set up a work plan. The Company will then use the conclusion from the meeting to set up guidelines for construction plan and materials and equipment procurement, as well as labor sourcing, consistent with the work plan up to delivery of the project to clients.

## Procurement of materials and consumable

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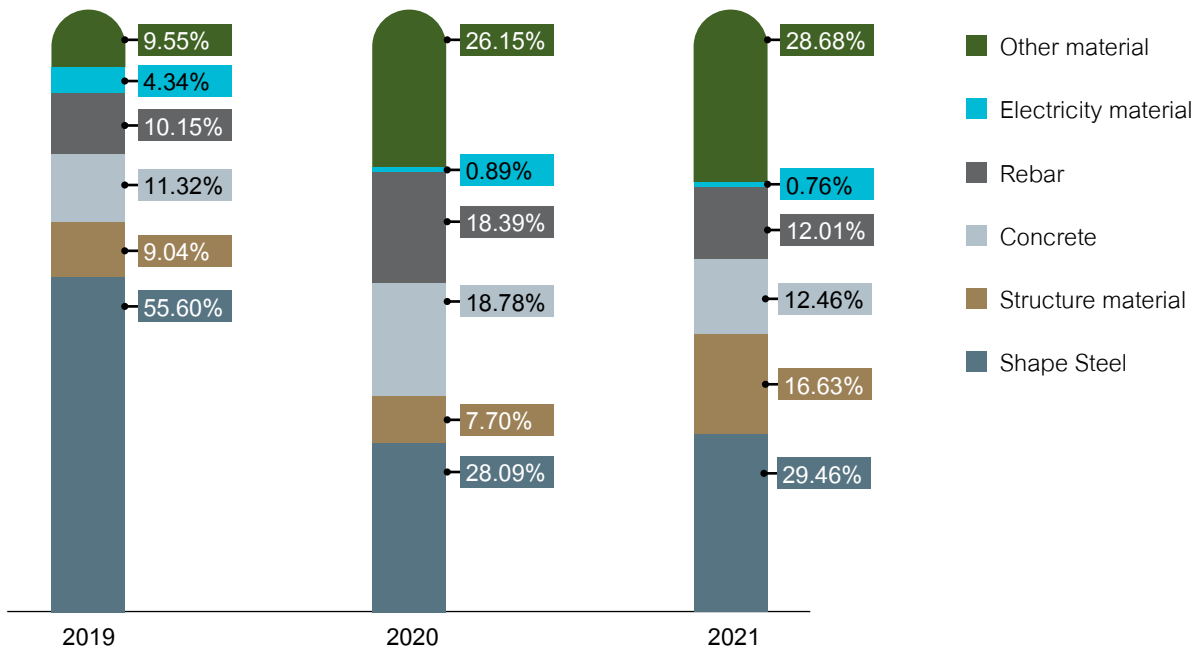
The Company does not have a policy to store raw materials, other material, and consumable for a long period. However, will procure according to necessity of use in order to control cost efficiently. These are comply with in each project, clients determine the specification of materials used. The Company's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

### Procurement process

1. Quotations survey and comparing price of raw materials from suppliers, during the bidding prior to the execution of contract with the clients. The Company will negotiate on the sourcing of raw materials. Clients usually determine the grade and specification of materials, as well as the client's own supplier approved list. The Company will then conduct preliminary price examination from the supplier once the contract is executed.
2. After the Company signs contract with clients. The purchase order of materials is made directly from manufacturers and through distributors. Procurement of materials from abroad is done only for steel or certain materials which the clients have specifically identified and could not be sourced in Thailand. Procurement is done through Procurement Department of the Company in accordance with the process and allocated budget cost, with comparisons made in terms quantity, price, and the ability to deliver on time between different suppliers.
3. In every delivery, the Company's Quality Control Division (QC) and the client's representative will inspect the quantity and quality of the materials in accordance with the client's requirements before use in the production process.
4. Consumable and other materials, the Company will plan the usage according to the construction phase and will keep stocks only for use as work scheduled requirement. By this method, it could help the Company reduce the procurement with large quantities of other materials and consumable. Also shall to prevent lose or damaged from any deteriorated.

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

Procurement value of material and consumable for construction service of 2019 - 2021



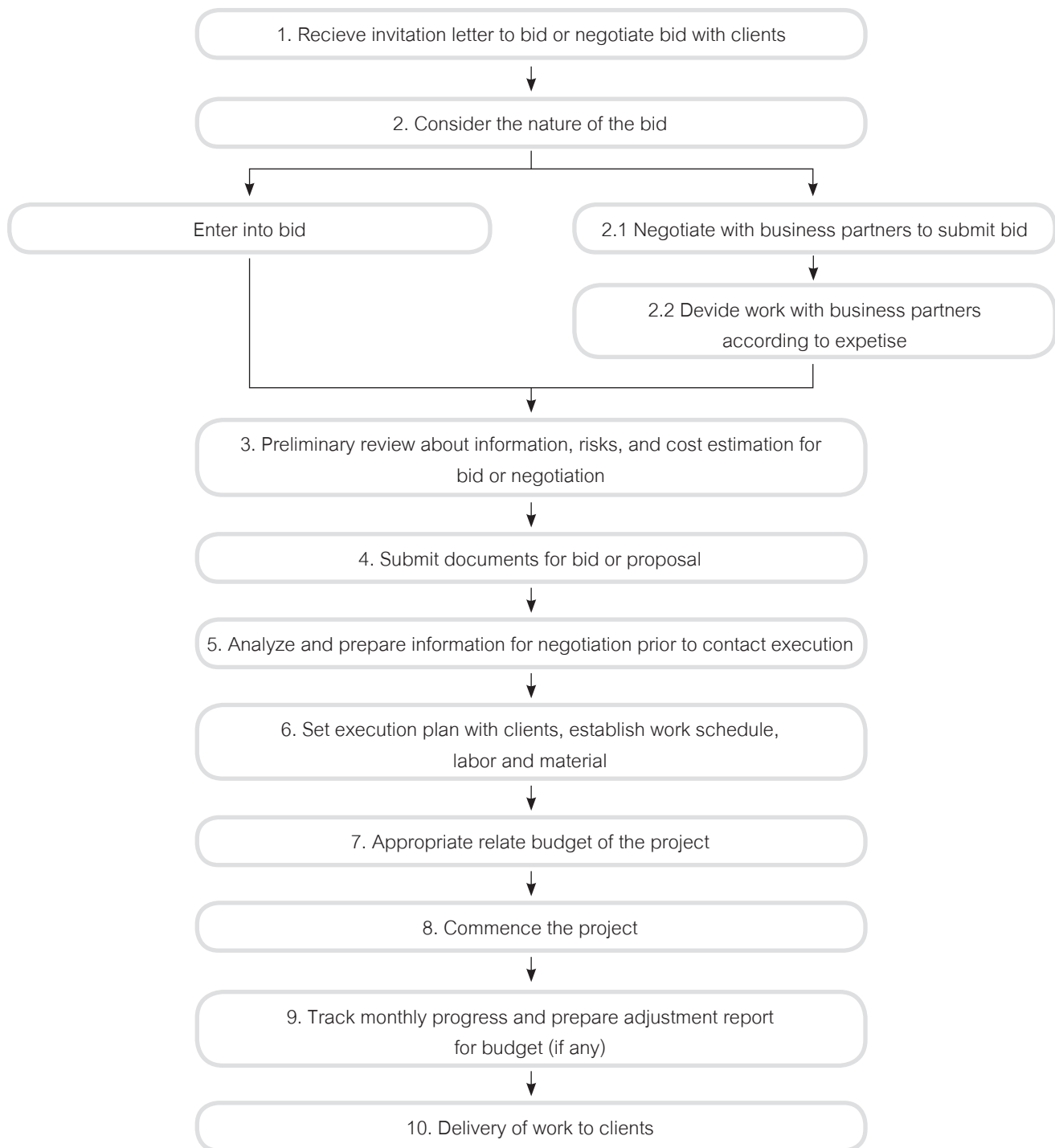
### Recruitment of Labor

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

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

## Work Procedure

Work procedure for contractor service



## Industry and Competition

### Construction market and competition

Although, the country's overall of 2021 was economy downturn due to the impact of the COVID-19 epidemic. And the construction sector was affected by epidemic control such from closing labor's camps. Lead to the construction work of many construction companies and many construction projects having to postpone the work schedule. However, construction investment in 9 months of 2021 grew by 5% year-on-year. Resulted from, the government's infrastructure development plans to accommodate the state investment projects such as the Development Project Map Ta Phut Industrial Port Phase 3.

In 2021, the Group continues to have contracts for construction projects from the main contractors both for new construction projects occurring during the year and for ongoing construction projects in area of both additions and extensions work. These are widely accepted and most credible of customer. Resulted from, the efficient and quality of work which be able to serve all requirement in each service categories. And all complied with international standard and delivered work on time with contracts. All reasons as above shown by the value of construction projects that the Company The contract was signed during 2021 with a total value of Baht 2,289 million.

## Market sharing in construction sector

Revenue from construction companies of listed on the Stock Exchange of 2021

Construction companies name		Revenue (Million Baht)	Portion (%)
ITD	ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED	59,698.10	33.42%
STEC	SINO-THAI ENGINEERING AND CONSTRUCTION PUBLIC COMPANY LIMITED	27,930.01	15.64%
CK	CH. KARNCHANG PUBLIC COMPANY LIMITED	13,996.33	7.84%
NWR	NAWARAT PATANAKARN PUBLIC COMPANY LIMITED	11,212.85	6.28%
UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION PUBLIC COMPANY LIMITED	11,000.14	6.16%
PLE	POWER LINE ENGINEERING PUBLIC COMPANY LIMITED	7,517.22	4.21%
TTCL	TTCL PUBLIC COMPANY LIMITED	6,446.60	3.61%
CNT	CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED	6,206.03	3.47%
SYNTEC	SYNTEC CONSTRUCTION PUBLIC COMPANY LIMITED	5,310.06	2.97%
SQ	SAHAKOL EQUIPMENT PUBLIC COMPANY LIMITED	4,803.02	2.69%
PREB	PRE-BUILT PUBLIC COMPANY LIMITED	4,593.49	2.57%
TPOLY	THAI POLYCONS PUBLIC COMPANY LIMITED	4,366.75	2.44%
TRC	TRC CONSTRUCTION PUBLIC COMPANY LIMITED	3,888.26	2.18%
STPI	STP&I PUBLIC COMPANY LIMITED	2,617.51	1.47%
SRICHA	SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED	2,564.84	1.44%
<b>CAZ</b>	<b>CAZ (THAILAND) PUBLIC COMPANY LIMITED</b>	<b>2,199.23</b>	<b>1.23%</b>
BJCHI	BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED	1,544.78	0.86%
SEAFCO	SEAFCO PUBLIC COMPANY LIMITED	1,476.79	0.83%
PYLON	PYLON PUBLIC COMPANY LIMITED	793.87	0.44%
UEC	UNIMIT ENGINEERING PUBLIC COMPANY LIMITED	468.87	0.26%

## Construction market trend

As the government's policy "Thailand 4.0" of investment in infrastructure systems. Especially, projects construction which are going to start such as the high-speed rail project connecting three airports between Suvarnabhumi-U-Tapao, Map Ta Phut and Development Laem Chabang Port Project Phase 3, and U-Tapao Airport Development Project. With a total investment value of more than Baht 60 billion in 2021 (from a total value of over Baht 6.8 hundred billion throughout the project). Along with the approved natural gas infrastructure to comply with Thailand's Power Development Plan (PDP) (Gas Plan 2015) for the LNG Terminal project are following:

- The new LNG Terminal Project in Rayong Province (Ban Nong Fab) has the capacity to translate LNG into 7.5 million tons of gas per year (can be expanded to 15 million tons per year), scheduled for completion in 2022.
- FSRU project in the upper Gulf of Thailand It has the capacity to translate LNG into gas 5 million tons per year, scheduled for completion in 2024.

- LNG Terminal Project, Map Ta Phut Industrial Port, Phase 3 in the Eastern Special Development Zone (EEC), Rayong Province, the capacity to translate LNG into gas 10.8 million tons per year (can be expanded to 16 million tons per year) has been determined. Completed year 2027.

Moreover, the expected investment plan in the future projects which have the invest continuously and increase in many business groups. As the reform and implement of energy and environmental criteria such as the power generation business Natural Gas Production and Import Business Group and the oil refinery business group in many plans as follows:

- The plan for the transition to a carbon-neutral economy (expected to come into effect in 2023) is composed of: the Power Development Plan (PDP 2022), the Gas Plan, the Alternative Energy Development Plan (AEDP), the Energy Efficiency Plan (EEP), and (v) the Oil Plan.
- Changes to the energy sector will include the following:
  - Increasing the power generation from renewable energy and reducing the proportion of electricity purchases from fossil fuels under PDP2018 (rev.1) during 2021-2030
  - The market for the importation of LNG will be fully opened, allowing new private-sector players to source and ship LNG. This is then expected to lead to lower domestic prices for natural gas.
  - The plan to end financial support for biofuels (gasohol E20 and E85, and diesel B10 and B20) has been postponed to 2024 from 2022, in light of the fall in demand for energy that COVID-19 has triggered, the authorities wish to avoid inflicting further harm on ethanol producers and palm growers.
  - The introduction of tighter regulations on vehicle exhausts (part of plans to reduce PM 2.5 pollution) have been postponed. Originally, the Euro 5 and Euro 6 regulations were scheduled for introduction in respectively 2021 and 2022, but this has now been pushed back to 2024 and 2025; the development of the new engines that will be needed was judged to be too costly at the moment.

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

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

*"Announcing the Office of the President of the State Reforming the National Reform Plan (Revised version)" (2021, 23 February). Government Gazette. Volume 138, special part, 44 n. 1.*

*Bank of Ayudhya (11 January 2022), Thai business and industry trends 2022 - 2024. <https://www.krungsri.com/th/research/industry/Industry-Horizon/industry-summary-outlook-2022-2024>. (13 Mar 2022).*

#### Projects valuation of Backlog as at 31 December 2021

Project	Nature of Work	Type of Work	Start - Expected Completion	Project Value (MB)	Project Progress (%)	Revenue recognized (MB)	Backlog (MB)
1. Engineering design, procurement of machinery and equipment, and construction and installation of enclosed ground flare (EGF) for Bangchak.	Main Contractor	EPC	Apr 2018 - Oct 2022	286.14	92.93	265.92	20.22
2. PTT LNG Nong Fab LNG Receiving Terminal Project (Package 2)	Sub Contractor	Civil	Jul 2019 - Jun 2022	875.21	69.16	605.30	269.91
3. Thai Oil Clean Fuel Project Civil Work	Sub Contractor	Civil	Nov 2019 - May 2022	1,194.01	59.08	705.42	488.59
4. Thai Oil Clean Fuel Project	Sub Contractor	Fab and Other Service	May 2020 - Sep 2022	415.93	77.95	324.21	91.72
5. Thai Oil Clean Fuel Project	Sub Contractor	SMP	Oct 2020 - Jan 2023	1,632.70	23.02	375.85	1,256.85

Project	Nature of Work	Type of Work	Start - Expected Completion	Project Value (MB)	Project Progress (%)	Revenue recognized (MB)	Backlog (MB)
6. PTTLNG Nong Fab LNG Receiving Terminal Project BOP Steel Structure, Equipment Installation Work and LNG Tank Steel Structure Material Supply	Sub Contractor	Structure and Mechanical	Jun 2020 - Mar 2022	545.36	74.27	405.04	140.32
7. PTTLNG Nong Fab LNG Receiving Terminal Project Jetty Top Side Piping Work	Sub Contractor	Piping	Jun 2020 - Mar 2022	1,007.70	45.75	481.15	526.55
8. Olefins I-4/2 Modification for Propane Feedstock Project	Sub Contractor	General Construction	Jun 2021 - Feb 2023	806.89	10.23	82.59	724.32
9. PTTLNG Nong Fab LNG Receiving Terminal Project (28" Interconnection Pipe Line work)	Sub Contractor	Piping	Sep 2021 - Sep 2022	237.21	8.26	19.59	217.62
10. PTTLNG Nong Fab LNG Receiving Terminal Project (Temporary Seawater Line work for Early Gas Send Out work)	Sub Contractor	Structure and Mechanical	Sep 2021 - Mar 2022	154.43	1.60	2.48	151.95
11. Other projects	Sub Contractor	Fab and Other Service		273.37	63.17	172.68	100.69
<b>Total</b>				<b>7,428.95</b>		<b>3,440.21</b>	<b>3,988.74</b>

## Group Structure

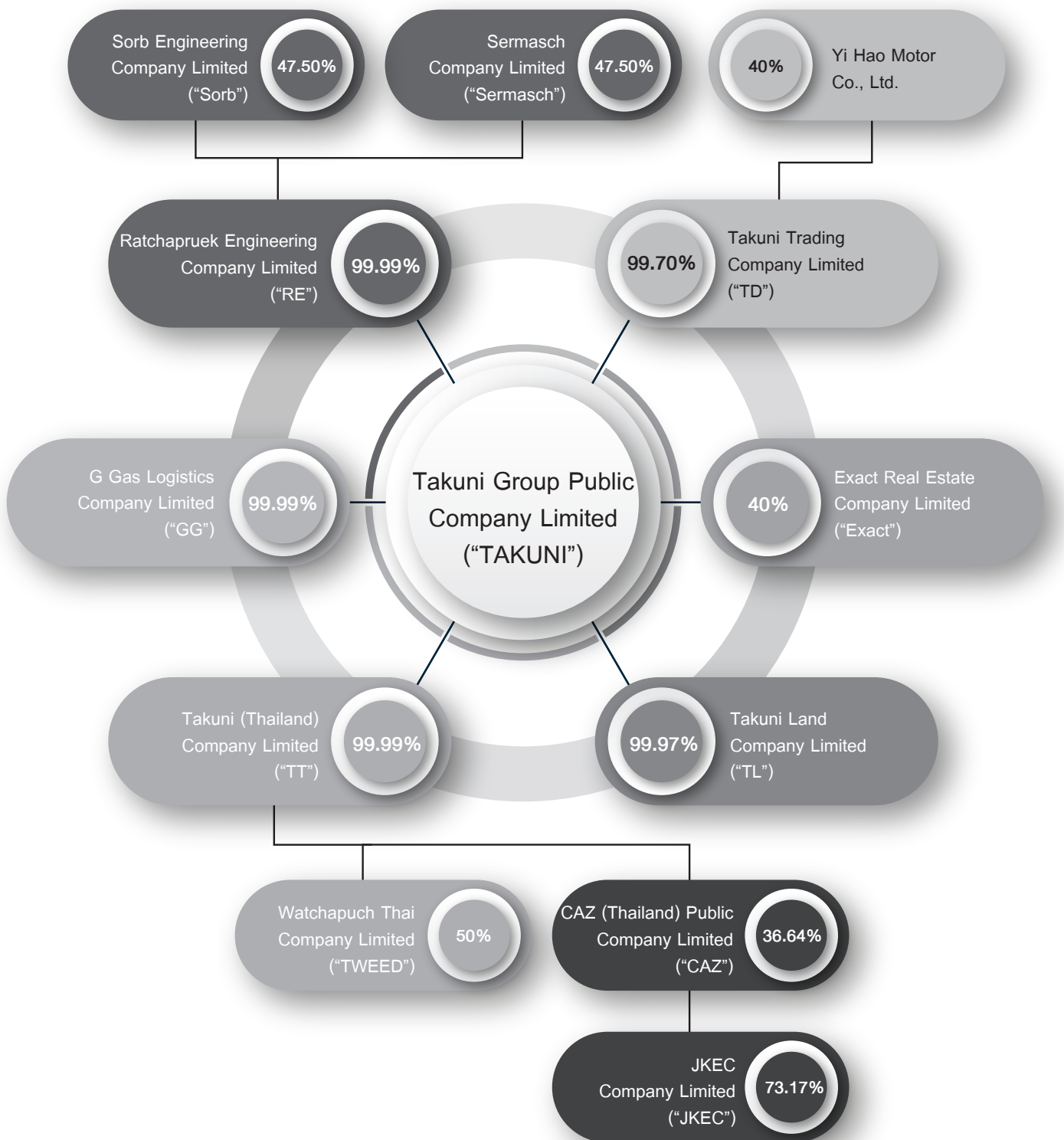
CAZ invested in a subsidiary, JKEC Company Limited (JKEC), it was established on 29 January 2016 with initial registered of capital of THB 2.00 million (20,000 shares with a par value of THB 100 per share). Moreover, on 1 October 2019, JKEC registered capital increase from THB 4,100,000 (41,000 shares with a par value of THB 100 per share) to THB 10,100,000 (101,000 shares with a par value of THB 100 per share). CAZ keep the portion of investment in subsidiary companies at the rate of 73.17 percent by investing in 43,902 additional ordinary shares of JKEC with a par value of THB 100, totaling THB 4,390,200. As at 31 December 2021, the Company's group structure is as follows.



## Business Relationship with Major Shareholders as at 31 December 2021

Major shareholders are divided into

1. Executives holding 16.20 percent of paid-up capital
2. Takuni (Thailand) Company Limited, subsidiary of Takuni Group Public Company Limited, holding 36.64% of paid-up capital, with details on TAKUNI's group structure as follows;





Operations of companies in the Takuni Group Public Company Limited group

Company	Business
Takuni (Thailand) Company Limited	Automobile gas installation and gas piping system construction
G Gas Logistics Company Limited	Transportation
Ratchapruerk Engineering Company Limited	Engineering safety testing service
Takuni Land Company Limited	Property Development
Takuni Trading Company Limited	Electric motorcycles Manufacturing and Distribution
Exact Real Estate Company Limited	Property Development
Sorb Engineering Company Limited	Sales and installation of tools and machinery
Sermasch Company Limited	Repair and Maintenance of tools and machinery
CAZ (Thailand) Public Company Limited	Construction service for clients in the oil, gas and petrochemical industry
JKEC Company Limited ("JKEC")	Civil and foundation construction service
Yihao Motor Co., Ltd.	Manufacturer and assembly electric motorbike
Watchapuch Thai Company Limited	Trading of pharmaceutical botany products

*CAZ retain its status as TAKUNI's subsidiary.*

## Preventive Measures on Business Competition Between TAKUNI Group and the Company

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

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

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

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

## Related Party Transactions Which May Occur in the Future

Related party transactions between the Company and TAKUNI Group in the future, in case of normal business transactions with normal terms of trade, would be done in accordance with related party transaction review measures as approved by the Board of Directors in compliance with the Securities and Exchange Act. The agreement shall be strictly adhered to, and pricing and terms shall be clearly and fairly specified, resulting in no transfer of benefits. In case that the Audit Committee has no expertise in the related party transaction currently under consideration, the Company will arrange for a person with knowledge and specialized expertise such as the auditor or independent asset appraiser to provide opinion on the related party transaction, to support the decision of the Board of Directors or shareholders (whichever may be the case). This is to ensure that such transactions will not constitute any transfer of benefits between the Company or potentially conflicting persons, but are for the greatest benefit of shareholders. The Company will also proceed in accordance with the regulation with regards to disclosure of information and guideline for listed companies on related party transactions.

## Shareholders Structure

The Company has registered capital of THB 147,000,000 with 294,000,000 ordinary shares. As at 11 May 2021, the Company has paid-up capital of THB 146,999,876 with 293,999,752 ordinary shares at a par value of THB 0.50 per share.

The top 10 names of shareholders which appear on the list of shareholders as at 18 March 2022 are as follows.

No.	Shareholders name	Number of share	%
1	Takuni Group <sup>1</sup>		
	Takuni (Thailand) Co., Ltd.	107,728,950	36.64
	Treeweeranuwat Family	5,324,161	1.81
	<b>Total Takuni Group</b>	<b>113,053,111</b>	<b>38.45</b>
2	Mr. Chung Sik Hong	29,989,740	10.20
3	UBS AG LONDON BRANCH	24,177,335	8.22
4	Mr. Kobkhun Tienprecha	23,200,000	7.89
5	Thai NVDR Company Limited	17,781,106	6.05
6	Mr. Wang Youp Jhee	10,152,450	3.45
7	Mr. Yeong Cheol Choi	7,497,560	2.55
8	Mr. Nattapon Songsaichonchai	4,500,000	1.53
9	Mr. Peerased Chianrungsin	2,663,300	0.91
10	Mrs. Daljit Kaur Malhotra	2,426,000	0.83
	<b>Total</b>	<b>235,440,602</b>	<b>80.08</b>

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

Takuni Group Public Company Limited which major shareholder is Treeweeranuwat Family at 51.80% of total amount of share capital.

## Dividend Payout Policy

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

Dividend payment for the Company operating of 2019 – 2021 are follows;

Year	Statement of comprehensive income (Separate financial statements)	Dividend rate (Baht per share)	Amount (Baht)	Dividend payout Ratio <sup>3/</sup> (%)
2021 <sup>1/</sup>	133,004,631	0.1600	47,039,960	36.11
2020 <sup>2/</sup>	56,061,067	0.0478	13,377,770	25.12
2019	81,281,590	0.1071	29,988,000	38.84

Note: <sup>1/</sup> Propose to the Annual General Meeting of Shareholders of 2022 for consideration and approval on April 22, 2022.

<sup>2/</sup> Dividends are paid into 2 forms: by cash at the rate of 0.02278 baht per share and by stock dividend (20 existing shares: 1 new stock dividend). Calculated as a dividend rate of 0.025 baht.

<sup>3/</sup> The dividend payout ratio is calculated from the amount of dividends paid in the year. Divided by the company's net profit after deducting legal reserves.

# Risk Management

## Risk Factors

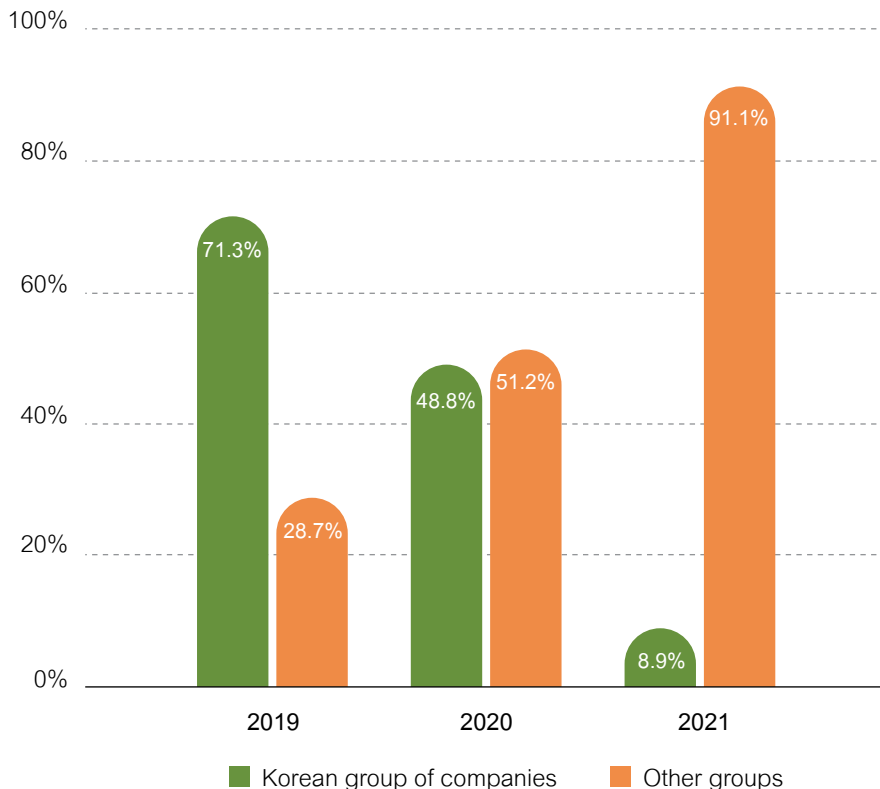
Risk factors relating to the Company's business operations which may significantly impact the Company's operating results and financial position, as well as return on investment in the Company's common shares can be summarized as follows.

### Management Risk

#### 1. Risk from Dependence on Executives

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

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



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

As at 31 December 2021, the Company has 367 monthly employees, excluding executives, divided into the Construction Department and Engineering Department with a total of 337, comprising of 317 Thais and 17 Koreans, 3 Filipinos and other departments with a total of 30 employees, comprising of 28 Thais and 2 Koreans.

## 2. Operating Risk

### 2.1 Marketing Risk

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

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

### 2.2 Inaccurate Construction Cost Estimations Risk

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

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

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

Cost of raw materials and equipment are an important component of the Company's business operations, with key items being steel plates and rebars / round bars. In case of significant changes to the price of these materials during project operations, the Company's profitability may be directly affected. Prices of construction materials vary in accordance with domestic and interna-

tional market conditions. Construction Materials Price Index disclosed by the Bureau of Trade and Economic Indices, Ministry of Commerce indicates construction material prices in the past 5 years from 2017 - 2021 (Base year 2010 = 100) as shown in the following chart.

Chart 1 : Construction Materials Price Index 2017 - 2021

Index2010 = 100

Y	M	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2017		112.9	113.7	113.6	113.0	112.2	111.8	111.5	111.4	111.9	112.3	112.8	113.0	112.5
2018		114.2	114.2	113.8	113.9	114.4	114.1	114.6	114.7	114.8	114.0	114.0	114.0	114.2
2019		113.4	113.5	113.8	113.8	113.5	113.7	113.6	113.8	113.6	113.8	113.8	113.6	113.7
2020		113.1	113.5	112.5	112.5	113.0	113.7	114.5	115.3	115.0	114.7	114.0	114.0	113.9
2021		114.3	114.2	115.0	116.2	115.9	115.8	116.0	116.0	115.7	118.2	118.8	118.8	116.2

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

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

## 2.4 Foreign Exchange Volatility Risk

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

## 2.5 Labor Shortage Risk

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

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

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

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

However, the Company reduces such risk by implementing IT systems to perform checks in each step and progress of the project such as the SPCM system which is able to monitor operations from the receipt of materials from suppliers to assembly, spray paint, welding, and installation. As such, project managers are able to review the status of operations through such system. The Company also arranges for monthly meetings with executives to acknowledge the progress of every project, resulting in the

Company being notified regularly and any issues which may arise being monitored and reported in a timely manner such that executives could advise on the issue. In the past, the Company has never been fined for any delay in delivery of work.

## 2.7 Safety Health and Environment Risk

The implementing of project construction might be affected to third parties in case of mistake events occurred. Whether in the form of danger from construction error posing damage to life and assets or environmental impact such as noise pollution, diffusion of dust from construction and collapse of surrounding building areas will not only be the cause of tainted reputation and credibility as a construction service provider, but may also lead to lawsuits being filed against the Company with significant damage relief. The Company is aware of the importance of safety in the provision of services. As a result, personnel of all levels from executives to labor workers are trained to understand and consider safety in every step of operations such as the Department of Labor Protection and Welfare's training on work safety, specifying that safety professional officers inform new personnel of key safety information before commencing work, providing health check-up personnel welfare benefits, and hosting preliminary fire extinguishing and evacuation training. The Company believes that personnel who understand preventive measures and place emphasis on work safety will help reduce the impact to third parties. During period of 2021, the company received the international standards for occupational health and safety management (OH&S) (ISO 45000: 2018) in order to reduce waste accidental injuries and prevent the health deterioration of employees from work.

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

## 2.8 Legal disputes Risk

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

Subsequently, the Appeal Court announced the judgement dated on 30 November 2021 agreed with the Court of the First Instance. This case considered as the voluntarily terminated the contract which Plaintiff and the Company cannot claim damages to each other. Resulting to, the Plaintiff has to pay back money to the Company after off-setting the Company's liabilities, including, its interest according to the specified time. Currently, the Company is in the process of the execution the judgement to against the Plaintiff to comply with the Appeal Court's judgement. Meanwhile, the Plaintiff applied for extend the period of petition and the Supreme Court has permitted the extension period for filing a petition until 31 March 2022.

## 3. Finance Risk

### 3.1. Debt Covenants Risk

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

### 3.2 Risk of Failing to Receive Service Fees from the Contractor

In the case that the Company subcontracts from a private company, who is the main contractor, there exists the risk of the project contractor facing financial issues and not being able to pay the Company for its services, which could create significant impact to the Company's operating results and lead to the Company having to maintain cash flows from operations sufficient for its business.

Thus, the Company put in place strict measures in the evaluation of credibility and financial position of the contractor, review of financial statements, and inquiring on the contractor's credit from partners before accepting to bid for a project. The Company also has a policy to only accept construction work from contractors with credibility and good financial status and not participate in bid for projects belonging to contractors with high risk.

### 3.3 Risk of Insufficient Working Capital

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

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



# Driving Business for Sustainability

## Policy and goal for sustainability management

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

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

## Scope of Sustainability Report

This report is part of the annual report which have the objective to report the sustainability development. And the management processes' disclosure with results, both directly and indirectly. The sustainability is contributing to social responsibility in three aspects such economic, social and environment to comply with the significant matters which might be impact to all stakeholders. The scope of sustainability report is resulted from CAZ (Thailand) Public Company Limited and its subsidiary's operating from 1 January 2021 to 31 December 2021.

## Impact management on stakeholders in business value chain

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

**Business Value Chain**

Relavant activities	<div style="display: flex; justify-content: space-between; padding: 5px;"> <span data-bbox="323 248 544 277">Marketing and Sales</span> <span data-bbox="624 248 850 277">Construction process</span> <span data-bbox="922 215 1158 315">Transportation/ distribution &amp; Erection for work delivery</span> <span data-bbox="1225 230 1469 297">After sales service and Warranty of works</span> </div>			
<p><b>Relevant issues to sustainability</b></p>	<ul style="list-style-type: none"> <li>• Competitive fairness</li> <li>• Management and controlling budget costs efficiency</li> <li>• Corruption</li> <li>• Sufficient credit facilities to support the projects</li> </ul>	<ul style="list-style-type: none"> <li>• Employees / Executives's experiences, knowledge, capabilities and expertise</li> <li>• Part of works or raw material delivery of suppliers and sub-contractors meet the quality and required with schedule</li> <li>• Effective budget cost control</li> <li>• Treatment with fairness and equitable to all stakeholders such as employees and suppliers</li> <li>• Sufficient working capital for the construction of each project</li> <li>• Good and appropriately incentive compensation and welfare to employees</li> <li>• Operating to comply with all relevant law and regulations</li> <li>• Occupational health and safety of all parties involved in the construction, including employees, subcontractors, customers and surrounding communities</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and safety of all parties involved in the construction, including employees, subcontractors, customers and surrounding communities</li> <li>• Safety environmental for community and society near by the consturction areas</li> <li>• Operating to comply with all relevant law and regulations</li> <li>• Overall of returns according to the expected of budget</li> </ul>	<ul style="list-style-type: none"> <li>• Responsibility for the quality and standard-ization of construction projects</li> <li>• Instruction manual tranmission with including completely projects details according to customers' requirement</li> <li>• Letter of guarantee throughout the financial institution's performance guarantee period</li> <li>• Overall of returns according to the expected of budget</li> </ul>

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

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

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

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

**The participation and practices towards with stakeholders**

Stakeholders	Expectation and Key issues	Response	Participation channels
<p><b>1. Customers / Clients</b></p> <ul style="list-style-type: none"> <li>• Project owners</li> <li>• Main Contractors (Employers)</li> </ul>	<ul style="list-style-type: none"> <li>• Performing construction work with quality and completely in accordance with contracts and requirement</li> <li>• Having personnel with experiences and capabilities, including, efficient and sufficent tools and equipment for each construction work</li> </ul>	<ul style="list-style-type: none"> <li>• Lets customers to visit the construction sites, together with allowing customers to participate in the inspection of every steps of production. From start until delivery of the work</li> </ul>	<ul style="list-style-type: none"> <li>• Document / Minutes of Meeting / Reports evidences, according to the requirements</li> <li>• Meeting with project owners and customers (In case, work with main contractors)</li> <li>• Telephone / e-Mail / Letters</li> <li>• Websites</li> </ul>
	<ul style="list-style-type: none"> <li>• Deliver consturction projects within specified schedule and guaranteed under contract conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Attend meetings / coordinating with customers throughout the project duration period in every phase of construction to report work</li> </ul>	

Stakeholders	Expectation and Key issues	Response	Participation channels
		<p>progression of project. For the customer's confidence that project construction works are on the target.</p> <ul style="list-style-type: none"> <li>• Check the quality of the work with the customer and / or the project owner to ensure that the work meets the specified standards without any defects or damage and potential dangers in the future</li> </ul>	
	<ul style="list-style-type: none"> <li>• Safety aware with supervised and closely monitoring to control and protect damage or impact during projects execution.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction service providers / subcontractors have knowledge and follow safety rules during work</li> <li>• Collecting safety statistics for every projects</li> </ul>	
<p><b>2. Business Partners</b></p> <ul style="list-style-type: none"> <li>• Suppliers of raw material</li> <li>• Subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>• Delivering quality materials/ products on time</li> <li>• Consistently repeat purchases/services</li> <li>• Payment of goods and wages within the specified period</li> </ul>	<ul style="list-style-type: none"> <li>• Inspected to raw materials and products in accordance with the quality and standards specification</li> <li>• Equality practice to all business partners</li> <li>• Price comparable with transparent and be able to check</li> </ul>	<ul style="list-style-type: none"> <li>• Report / Purchase Orders or Hiring Orders document</li> <li>• Attend the meeting with suppliers and subcontractors</li> <li>• Telephone / e-Mail</li> </ul>
<p><b>3. Employee</b></p> <ul style="list-style-type: none"> <li>• Monthly employees</li> <li>• Daily workers</li> </ul>	<ul style="list-style-type: none"> <li>• Receiving and practical with rights and equality</li> <li>• Getting the appropriate compensation and welfare</li> <li>• Work safety</li> <li>• Career path opportunity and stability work</li> </ul>	<ul style="list-style-type: none"> <li>• Complying with labor laws with regard to human rights principles</li> <li>• Provide channels for complaints in case of unfairness</li> <li>• Appropriate compensation and welfare providing</li> <li>• Conducting the operations with effective and understanding safety for employees including rules regulations in its entirety</li> <li>• Continuous training and development to have the efficiency work</li> </ul>	<ul style="list-style-type: none"> <li>• In-house meetings, for the employees' participate to comment / response to management</li> <li>• Training activities on safety issue before starting work and safety morning talk twice a week to ensure that employees understand and aware of work safety matter.</li> <li>• E-mails</li> <li>• Company's announcement</li> <li>• Clarification matters through supervisors</li> </ul>

Stakeholders	Expectation and Key issues	Response	Participation channels
<b>4. Community residents</b> <ul style="list-style-type: none"> <li>• People in the community</li> <li>• Drivers or road users</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting to community and environment for a good quality of life</li> <li>• Transporting with safety on roads and does not cause environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>• Promote the occupation of people in the community</li> <li>• Tools and equipment using for the production which are environmentally friendly and do not cause any disturbance to community</li> </ul>	<ul style="list-style-type: none"> <li>• Organizing meetings through construction supervisors</li> <li>• Public signs and announcement</li> </ul>
<b>5. Shareholders and investors</b>	<ul style="list-style-type: none"> <li>• Sustainable growth and continually stable of the Company</li> <li>• Good returns</li> <li>• Company information is presented by accurately, completely, promptly and equally.</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment to the honesty and ethics and determined to do best of its ability operations</li> <li>• The Company's communicate information to all stakeholders accurately, quickly and completely in according to their beneficial</li> <li>• Comply with rules and regulations of the Securities and Exchange Commission and Stock Exchange of Thailand.</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosure the Company's reports and information through the Stock Exchange of Thailand channels</li> <li>• E-mail</li> <li>• Web site</li> </ul>

## Environmental aspect sustainability management

### Environmental Policies and Practices

The Company places the priority on social responsibility of environmental protection by implementing and controlling to strictly comply with laws related to environmental protection. In order to, reducing and avoiding the impact of environmental, especially, in the process of manufacturing, assembly and construction services. And to improve working conditions in the workplace, employees' healthy, and environment surround communities. During 2021, the Company is studying and planning to engage on the environmental management system to comply with ISO 14001:2015 as a standard for manage and control environment. In order to conduct of environmental management standard for the Company's processing work both in factories and construction sites. And considering to social and environmental impacts complaints as well, reference to Environmental Impact Assessment (EIA).

### Environmental sustainability management

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

#### Air quality control

- Innovation operating with a closed-system rust polishing machine and reusing metal powder, which results in energy conservation and lower chance of dust in the area. Including, iron powder can be reused many times to save energy which will be suitable disposed when it cannot be used.
- Reducing air pollution emissions which resulted from PM 2.5 by switching to use B10 biodiesel in production process from fabrication work processing to the installation work in various services.
- Control dust spread of in various activities as follows;
  - Spraying water sprinkles in construction areas where dust is scattered. At least twice a day (morning-afternoon)
  - Cleaning vehicle wheels before leaving construction sites to prevent dirt and sand from sticking to wheels which may create dirt on road outside projects.

- All vehicles using fenders cover dust all 4 wheels.
- Using canvas or plastic sheet to cover construction materials during transportation.
- The speed limitation of vehicles when enter in - out of project areas not more than 20 km / hour.
- Require the regularly inspection, maintenance of tools and mechanical equipment used in construction works both factories and site areas.

### Water quality control (Including, drainage and flood protection)

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

### Waste management and control

The process of steel fabrication or other steel productive of the Company's factories and construction sites. It leads into scrap iron and metal left over which couldn't reuse. Therefore, the relevant departments will sort these scraps for further sale. Because it can be used into processing to be steel recycled as new raw materials. The Company's other waste disposal policy are following:

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

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

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

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

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

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

### Reduce

It is a way of waste reduction such as the purchase of a refillable product.

### Reused

It is a way to extend product life cycle, learn to utilize them more efficiently, and use them again or more than once.

### Recycle

It is a method to put used objects or materials through the process of converting waste materials into new materials and objects.

### Repair

It is a way to fix or mend something suffering for damage or fault to be used again.

### Reject

It is an approach to avoid using hazardous products.

#### Statistics of the Company's resource usage in 2019 - 2021

Description	2019 (Million Baht)	Portion of Revenue (%)	2020 (Million Baht)	Portion of Revenue (%)	2021 (Million Baht)	Portion of Revenue (%)
Electricity and water used	17.69	0.87	16.95	0.76	16.72	0.76
Gasoline used	30.57	1.50	29.45	1.32	32.57	1.48

## The number of complaints about social and environmental impacts

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

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

## Social sustainability management

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

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

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



## Treatment to employees and workers

### Respect for Human Rights

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

### Fair Treatment of Labor

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

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

The Company is hire disabled employees of which is the ratio of 100 non-disabled employees per 1 person with disabilities.

## Employee information

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

### Total number of employees in 2019 - 2021

The Company's total number of employees as at 31 December 2019 to 31 December 2021 were amounting to 1,902 persons, 3,796 persons, and 2,454 persons, respectively, as follows:

### Executives as at 31 December 2019 - 2021 (unit : person)

Executives	As at 31 Dec 2019			As at 31 Dec 2020			As at 31 Dec 2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
CAZ	6	3	3	6	3	3	6	3	3
JKEC	1	1	0	1	1	0	1	1	0
<b>Total</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>4</b>	<b>3</b>	<b>7</b>	<b>4</b>	<b>3</b>

## Monthly Employees as at 31 December 2019 - 2021 (unit : person)

Employee	As at 31 Dec 2019			As at 31 Dec 2020			As at 31 Dec 2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
CAZ	360	280	80	312	230	82	367	275	92
JKEC	61	47	14	70	50	20	73	47	26
Total	421	327	94	382	280	102	440	322	118

## Dairy workers as at 31 December 2019 - 2021 (unit : person)

Employee	As at 31 Dec 2019			As at 31 Dec 2020			As at 31 Dec 2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
CAZ	690	580	110	2,302	2,001	301	1,221	1,027	194
JKEC	775	523	252	1,093	705	388	775	523	252
Total	1,465	1,103	362	3,395	2,706	689	1,996	1,550	446

## Disable of dairy workers as at 31 December 2019 - 2021 (unit : person)

Employee	As at 31 Dec 2019			As at 31 Dec 2020			As at 31 Dec 2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
CAZ	5	5	0	9	9	0	6	6	0
JKEC	4	4	0	3	3	0	5	4	1
Total	9	9	0	12	12	0	11	10	1

## Compensation and employee benefits

### 1. Provident Fund

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

### 2. Group life insurance

#### Objectives of group life insurance

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

### 3. Scholarships for employees' children

The organizing a scholarship program for employees' children in order to promote, support and encourage employees by helping and developing education for youth who will be the next important force in the future of Thailand.

#### Scholarship Type

The Company defines types of scholarships as follows:

- 25 Outstanding academic scholarship, amounting to 50,000 baht.
- 5 Sports and activities Outstanding academic scholarship, amounting to 9,000 baht.

Total scholarships for both types, totaling 30 scholarships, amounting to 59,000 baht per year.

## Employee benefits payment statistics

The payment of employees' compensations and benefits, the Company places the priority to salaries, wages and various compensation such as social security, provident fund, medical expenses and life insurance to all employees and workers according to their knowledge and abilities equally in each position. The statistics of employee benefits payment during 2019 - 2021 are as follows:

Details	2019	2020	2021
Employee benefits (million baht)	683.04	1,066.56	714.31
Total employee (person)	1,902	3,796	2,454

## Employees development and training for the construction department

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

### Training courses

Details	Number of hours (hours)			Number of employees (person)		
	2019	2020	2021	2019	2020	2021
Program: Basic safety course for new employees and general staff (6 hours)	1,332	2,676	2,856	4,877	6,516	3,091
Program: Compulsory Skills Courses and give crane signal	-	18	18	-	26	53
Program: Safety course in working in confined spaces	64	160	192	113	240	432
Program: Basic Firefighting Course	12	6	72	42	40	308
Program: Basic First Aid Courses	-	12	6	-	44	23
Program: Perform work with heating and sparking work	-	-	184	-	-	413
Program: Perform work with height area	-	-	692	-	-	968

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

Training courses	Total courses (Topics)			Number of employee attend the training (person)			Total training date (days)			Training expense (Baht)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
In-house training	286	154	146	4,990	6,756	4,507	234	174	154	143,000	770,000	730,000
Outsource training	12	4	7	42	110	781	2	6	25	36,000	698,000	1,398,000
<b>Total</b>	<b>298</b>	<b>158</b>	<b>153</b>	<b>5,032</b>	<b>6,866</b>	<b>5,288</b>	<b>236</b>	<b>180</b>	<b>179</b>	<b>179,000</b>	<b>1,468,000</b>	<b>2,128,000</b>

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

Total training hours per person				
2019		2020		2021
6.0		6.5		7.0

## Community and Social Responsibility



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



- Donation the consumer goods and utilites used of daily life to Nong Fab Community.



- Donation for the education of Nong Fab Community.



- The Company has supported religious budget at Nong Fab Temple.



- Promoting of occupations to the community for generate income by employing people around the project areas, for example hiring small fishing boat to carry out for the construction of jetty port.
- During the COVID-19 epidemic crisis, the Company supported medical team by donate the following items.
  - To support of mobile nose swab testing production which are proactive screening at various points with King Mongkut's Hospital Foundation in the Patriarch.
  - Donated PPE kits to Ramathibodi Hospital, Bamrasnaradura Infectious Diseases Institute and Vajira Hospital.
  - Donated the Humidifier with Integrated Flow Generator : Airvo2, to Kabinburi Hospital.

## Occupational Safety and Health Sustainability Management

The Company concerns about employees healthy and quality of life by determined to promote the safety prevention of accidents to employees, workers. Including, injuries, illnesses and reduce losses which caused by work. The Company has policies, measures, guidelines, procedures for operating safety in every construction steps under the Occupational Safety, Health and Work Environment Act. The safety policy is strictly practice to all departments and employees have responsibilities to take care their safety and health themselves and other involved in their work. All employees must cooperate by strictly perform the duties and responsibilities to the Company's policy. Moreover, in 2021, the company has the certified of ISO 45001:2018 as a guideline for compliance with the policy on the Occupational Health and Safety Management system as well.

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

### Security control and supervision

1. Accidents prevention in the workplace.
2. Assess activities which may leads to risks, have practice with appropriately manner implemented.

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

### Health control and supervision

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

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

#### 1. The factories noise controlling

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

#### 2. The transportation controlling

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

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

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

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

## Safety, Occupational Health and Environment performance

Work safety statistics in 2019 – 2021 are as follows

Year	Statistic			IFR	LTIR	Working hours
	MTC	LTI	FC			
2019	3	0	0	0.09	0.00	6,986,502
2020	3	0	0	0.04	0.00	10,954,610
2021	2	0	0	0.07	0.00	5,671,255

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

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

FC – Fatalities Case

IFR – Incident Frequency Rate

LTIR – Lost Time Incident Frequency Rate

### Safety Achievement Awards

Olefins Reconfiguration Project 7,000,000 Safe working hours without Lost Time Injury (LTI).

PTTLNG Nong Fab LNG Receiving Terminal Project at 3,000,000 Safe working hours without Lost Time Injury (LTI).

TOP Clean Fuel Project 3,000,000 Safe working hours without Lost Time Injury (LTI).

# Management Discussion and Analysis

## Overview of the Company's Business Operations

The Company engages the business as construction service provider to procure mechanical, equipment, and comprehensive construction services to clients in the oil, gas, and petrochemical industry. In order to serve all target customer's requirement for every productivities stages.

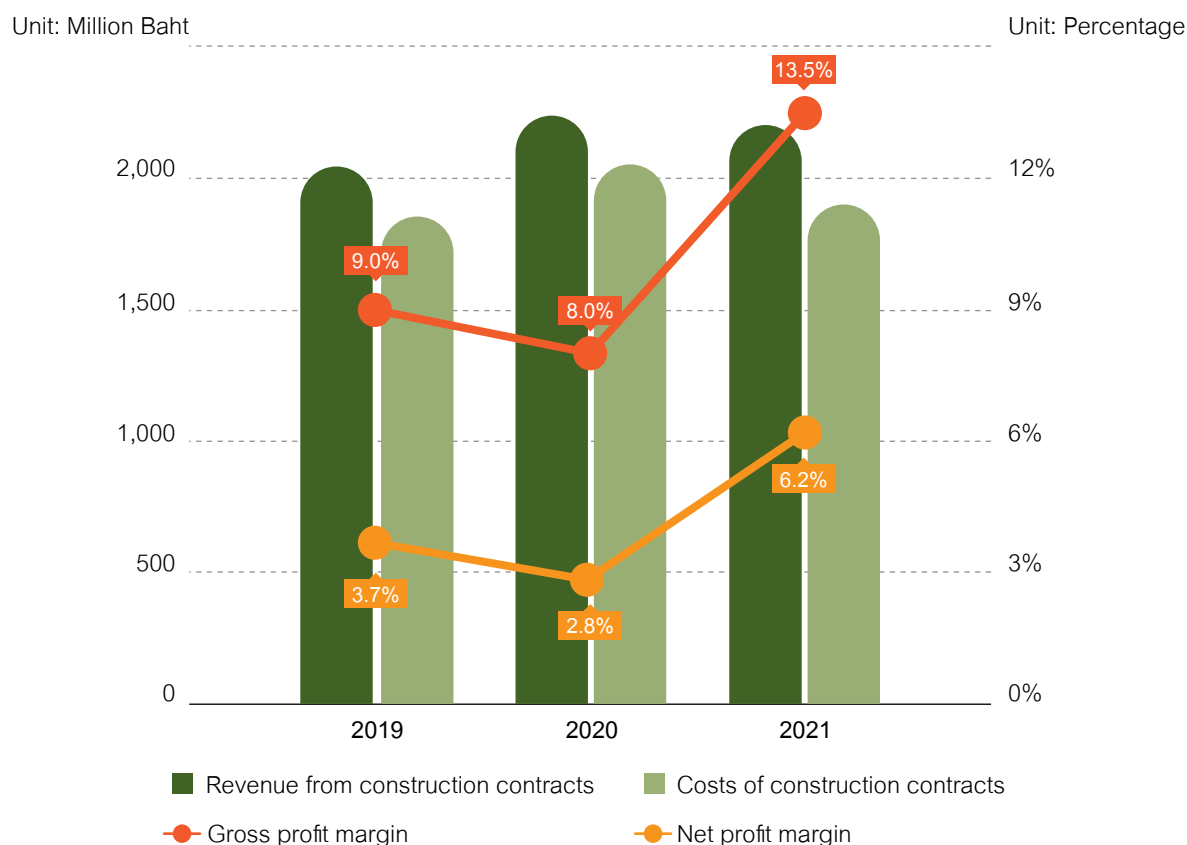
The Company provides construction services both directly from the project owner and from the main contractor. However, most of the Company's services are complicated and has strictly of safety measures. Therefore, it requires the Company's operations with expertise along with the experience and expertise.

Regarding to, the epidemic situation of the COVID-19 since 2020, which has been spreading several continuous waves until 2021, when combined with many factors related to epidemic prevention measures. It has affecting to revenues for the year 2020 and 2021 of the Companies with a slight decreased in revenues of construction contracts compared to target. Due to, the postpone of investment projects of main target customers, which has impacted from the reduced of energy demand. Delays in signing new construction projects, including, late delivery of the work areas from the main contractors of the construction projects. As a result, the Company's operating plan has to adjusted relied to the situation of the COVID-19 epidemic. The Company's performance of 2021 were as follows:

## Analysis of Operating Performance and Profitability

The Company's operating performance for the year ended 31 December 2019 to 31 December 2021, as follows.

### Summary of Key Operating Performance Figures in 2019-2021

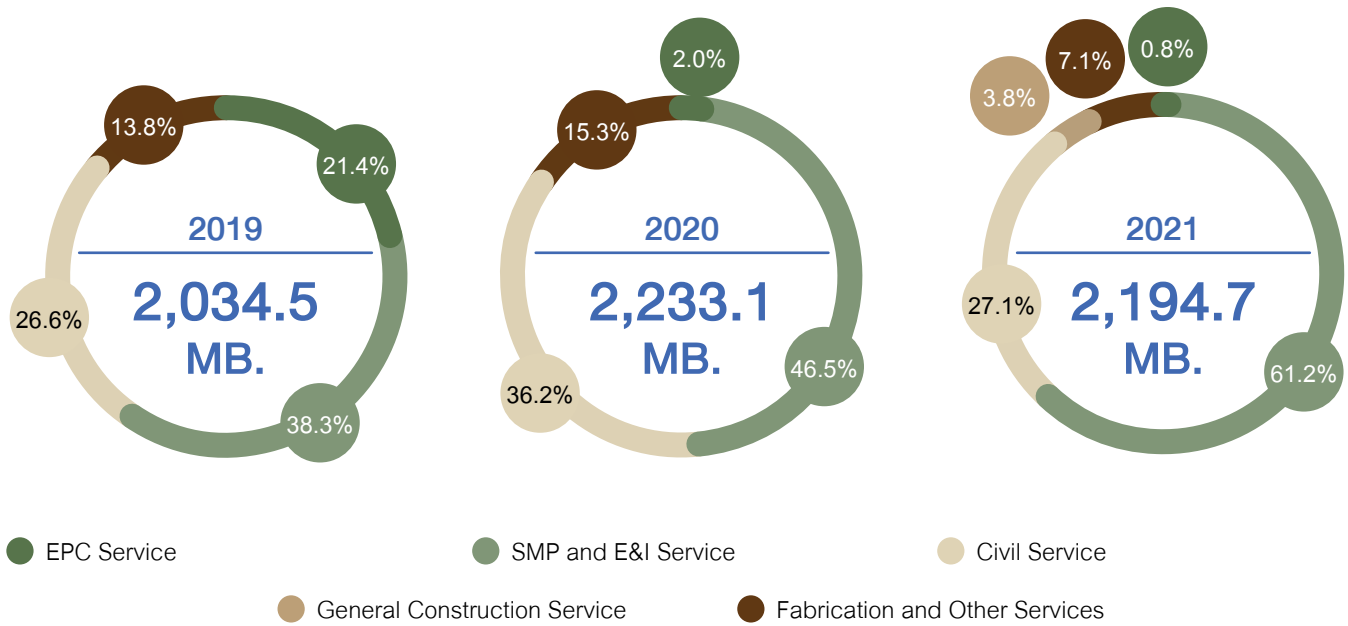




Revenue from construction services of the Company mainly from provision of construction work in heavy industry. It starting with the initial work value as agreed in the contract. Additional by (if any) the contract amendment which resulting from the increase in the scope of work, work adaptation or additional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

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

Revenue Composition by Type of Service Provided in 2019-2021



The Company has revenue from construction services in 2019 – 2021 amounting to Baht 2,034.46 million, Baht 2,233.06 million, and Baht 2,194.70 million, respectively. Compared with 2019, 2020’s revenue increased of 9.76, and 2021 was slightly decreased amounting to Baht 38.37 million, or 1.72%. Resulted from, some construction projects already finished and delivered work, including, transfer of right control of the construction work to customers during 2021, such as PTTGC Olefins Reconfiguration SMP (package No. 2,3,4,5) both structure & mechanical erection and struction fabrication scope of works, and Propylene Oxide Civil work project. Together with, some construction projects which signed on Q3/2021 and Q4/2021 were on the beginning stage. Leads to the percentage of work completion which could transfer rights of control to customer slightly reduced, compared with 2020. For these reasons, its lead the percentage of work completion which could transfer right of control during this year were slightly reduced, compared with last year. As at 31 December 2021, the Company has backlog amounting to Baht 3,989 million, and it’s going to recognize revenue into the following years.

The Company has significant projects that signed contracts during 2021 as follows; Nong Fab LNG Receiving Terminal by scope of service Early Gas Send Out work for Civil, Structure, Equipment Installation, and Jetty Piping work; Olefins I-4/2 Modification for Propane Feedstock Project by scope of General Construction Service (Civil / Building / Steel Structure / Equipment / Piping Works) and Fabrication Service.

### Cost of Construction Service

The Company’s key costs of construction service include raw materials and consumable goods, subcontractor costs, salaries and personnel costs, incentives, and other costs of production. The Company’s cost of construction services of 2019 – 2021, amounting to Baht 1,851.87 million, Baht 2,055.14 million, and Baht 1,898.62 million, respectively. Reflecting 91.03%, 92.03%, and 86.51% of construction service revenues, respectively.

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

## Administrative Expenses

Key composition of the Company's administrative expenses include personnel expenses such as salaries, bonus, and other compensation, audit fees, training and seminar fees, depreciation, utility expenses, and insurance expenses. Administrative expenses in 2019 - 2021 amounting to Baht 78.03 million, Baht 74.62 million and Baht 96.15 million, respectively. Reflecting a 3.84%, 3.34%, and 4.38% of construction service revenues, respectively. The Company's administrative expenses 2021 were increased totalling to Baht 21.53 million, or 28.85% compared with 2020, which has administrative expenses amounting to Baht 74.62 million. Resulted from, 2020 was the first year that the Company's operating had effected from COVID-2019 epidemic. It leads the Company had to reduce administrative expenses and estimates of key expenses such as employee bonus to complied with the declining performance. In 2021, on the other hand, the Company kept running construction performance on each projects on hand in order to achieve target operation. Although, 2021, it still has continuing of new wave of the COVID-19 epidemic. Leads the Group's administrative expenses of 2021 were increased, compared with last year. The increasing administrative expenses such as employee expenses and director remuneration, the recognition of expenses from income tax withholding which non-refundable, and preventive expenses of COVID-19 outbreak.

## Finance Costs

Finance costs are interest expenses from sourcing of funds for use in business operations. The Company took out long-term loans from a financial institution since Quarter 3 of 2016 to invest in the purchase of land, building, and equipment. In 2019 – 2021, finance costs amounting to Baht 15.31 million, Baht 27.16 million, and Baht 30.17 million, respectively. Regarding to, 2020 - 2021, some construction projects were in the late stages of commissioning and final phase of delivery works which had not much revenue rights of control transfer work. And also lead to the amounting of invoice were not much as well. As a result, the Company required to get financial assistance from financial institutions and a related company. And cause the Company has higher financial costs compared to previous years from short-term borrowing to be used as working capital of the projects on hand.

## Profitability

Gross profit and net profit for 2019-2021 can be summarized as follows.

Profitability	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
Gross profit	182.59	8.97	177.92	7.97	296.07	13.49
Net profit attributable to Owner of the parent	75.46	3.70	61.51	2.75	136.51	6.22

Gross profit of 2019 - 2020 amounting to Baht 182.59 million, and Baht 177.92 million. Reflecting gross profit margin of 8.97% and 7.97% of construction service revenues which considered to be similarly gross profit margin. Resulted from, executives monitored total project costs in accordance with budget costs, closely reviewed and followed-up on operating results, as well as planned appropriate construction projects and personnel allocation, leading to efficient construction cost management and up to date with the most current changes. In 2020, it was the first year of COVID-19 epidemic's impact to the Company construction works. It caused the Company had to improved budget costs in some projects terms of labor costs, material and equipment costs, and hygiene materials used for preventing the spread of COVID-19. While, the Company's gross profit of 2021 was amounting to Baht

296.07 million, or 13.49% of revenue from construction services. Its gross profit margin was significant higher when compared with 2020. Due to the new construction projects signed contract on Q3/2021 have higher profit margins as previously mentioned.

Net profit attributable to owners of parent of the Company for 2019 - 2021 amounting to Baht 75.46 million, Baht 61.51 million, and Baht 136.51 million, respectively. Reflecting net profit margin of 3.70%, 2.75% and 6.22% of total revenues. In 2021, net profit margin was great high to 6.22% due to the getting construction projects which has profit higher than previous projects. Although, its was a slightly increased of administrative expenses.

## Analysis of Financial Position

Components of assets 2019 - 2021 as follows;

Details	As at 31 Dec 2019		As at 31 Dec 2020		As at 31 Dec 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	31.33	2.11	142.42	8.50	262.45	13.31
Trade and other receivables	186.08	12.51	204.87	12.23	324.14	16.43
Contract assets	564.88	37.97	512.28	30.58	617.01	31.28
Inventories	9.72	0.65	34.54	2.06	40.84	2.07
Other current assets	13.16	0.88	7.26	0.44	10.80	0.55
<b>Total Current Assets</b>	<b>805.17</b>	<b>54.13</b>	<b>901.37</b>	<b>53.81</b>	<b>1,255.24</b>	<b>63.64</b>
<b>Non-Current Assets</b>						
Restricted bank deposits	32.95	2.21	10.02	0.60	7.69	0.39
Property, plant, and equipment	527.97	35.49	557.39	33.28	557.76	28.28
Intangible asset	11.28	0.76	13.22	0.79	12.38	0.63
Retention receivables	10.57	0.71	54.17	3.23	96.98	4.92
Withholding tax deducted at source	96.48	6.49	132.81	7.93	35.36	1.79
Deposits	2.11	0.14	3.41	0.20	4.41	0.22
Deferred tax assets	1.08	0.07	2.63	0.16	2.70	0.14
<b>Total Non-Current Assets</b>	<b>682.44</b>	<b>45.87</b>	<b>773.65</b>	<b>46.19</b>	<b>717.28</b>	<b>36.36</b>
<b>Total Assets</b>	<b>1,487.60</b>	<b>100.00</b>	<b>1,675.02</b>	<b>100.00</b>	<b>1,972.52</b>	<b>100.00</b>

## Assets

As at 31 December 2019 - 31 December 2021, the Company's assets amounting to Baht 1,487.60 million, Baht 1,675.02 million, and Baht 1,972.52 million, respectively. The increasing of assets in 2019 – 2021 have details on changes in the Company's assets can be summarized as follows.

### Current Assets

- **Cash and Cash Equivalents** 2020 and 2021, cash and cash equivalents amounting to Baht 142.42 million and Baht 262.45 million, respectively. It increased amounting to Baht 111.09 million, and Baht 120.03 million, respectively. Due to short-term loans for the Company's working capital. Together with in 2021, the Company received payment for some main contractor at the end of the year.

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

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

Aging of Trade Receivables	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Not yet due</b>						
• Unrelated parties	145.83	87.60	174.47	91.37	284.69	95.60
• Related parties	10.92	6.56	-	-	-	-
<b>Overdue</b>						
<b>Within 3 months</b>						
• Unrelated parties	9.65	5.80	13.74	7.20	13.11	4.40
• Related parties	-	-	-	-	-	-
<b>Over 3-6 months</b>						
• Unrelated parties	-	-	2.74	1.44	-	-
<b>Over 6-12 months</b>						
• Unrelated parties	-	-	-	-	-	-
<b>Over than 12 months</b>						
• Unrelated parties	0.08	0.04	-	-	-	-
<b>Total Trade Receivables</b>	<b>166.48</b>	<b>100.00</b>	<b>190.51</b>	<b>100.00</b>	<b>297.80</b>	<b>100.00</b>
<u>Less</u> Allowance for doubtful accounts	-	-	-	-	-	-
<b>Trade Receivables - Net</b>	<b>166.48</b>		<b>190.51</b>		<b>297.80</b>	

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

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

As at 31 December 2019 - 2021, the Company's contract assets amounting to Baht 564.88 million, Baht 512.28 million, and Baht 617.01 million, respectively. Equivalent to 37.97%, 30.58%, and 31.28% of total assets, respectively. As at 31 December 2020, the total value of contract assets decreased, compared with 2019. Due to both of construction delivered works which could transfer rights of control and invoiced during the year reduced. On the other hand, as at 31 December 2021, total of contract assets increased when compare with previous year. Resulted from, the increasing of revenue recognized from percentage of work completed which related to the increasing of work contractual. And revenue reconized from out put method. Both were not yet invoice and it be able to issue invoice to customers in the next periods.

- **Inventories** regarding to, the Company's nature of business is the provision of construction service based on client orders, it leads the Company does not have inventory in the form of finished goods. Inventories comprise of raw materials, including materials and equipment awaiting installation such as steel plates and steel pipes for piping system installation. Inventories as at 31 December 2019 - 2021, equivalent to 0.65%, 2.06% and 2.07% of total assets, respectively. As at 31 December 2020 - 2021, the Company had outstanding inventories of Baht 34.54 million and Baht 40.84 million. Resulted from, purchased materials for steel structure for projects on hand. All these inventories have both work process at the Company's shop and at site of projects.

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

• **Property, Plant, and Equipment** mainly comprise of land, factory, office building, vehicles, construction machinery, and engineering testing devices. In 2019, the Company used cash from the public offering of newly issued shares for the first time to buy land, buildings and factories in Pluak Daeng District, Rayong Province, approximately of Baht 100 million. And invested in equipment used in business operations in the amount of Baht 40 million, which is in accordance with the objectives of the offering of additional shares (IPO). Later on 2020, the company was finished renovation land building and factories. It was started production for steel fabrication works of projects on hand since Q1/2020. Additional, the Company's property, plant, and equipment of 2021 were increased by invested into machinery equipment and tools. In order to the supporting for construction services of new projects, including having sufficient production capacity.

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

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

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

As at 31 December 2020 - 2021, the Company's retention receivables amounting to Baht 54.17 million and Baht 96.98 million. Comparing with previous year, it increased amounting to Baht 43.60 million, and Baht 42.81 million, respectively. Due to the Company was deducted retention amount for delivery of milestones for different projects during period in accordance with the aforementioned processes.

## Liabilities

Liabilities components of 2019 - 2021, of the Company as follows.

Details	As at 31 Dec 2019		As at 31 Dec 2020		As at 31 Dec 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Current Liabilities</b>						
Bank overdraft	16.71	1.12	0.01	0.00	-	-
Short-term borrowings from financial institutions	222.25	14.94	509.10	30.39	373.50	18.95
Trade and other payables	327.16	21.99	265.03	15.82	377.92	19.16
Contract liabilities	217.25	14.60	141.08	8.42	289.86	14.69
Short-term borrowing from other party	-	-	20.00	1.19	20.00	1.01
Short-term borrowing from related party	2.50	0.17	-	-	-	-
Current portion of long-term borrowings from financial institutions	38.64	2.60	38.64	2.31	38.64	1.96
Current portion of lease liabilities	8.34	0.56	20.40	1.22	30.99	1.57
Other Current Liabilities	21.38	1.44	25.80	1.54	44.40	2.25
<b>Total Current Liabilities</b>	<b>854.22</b>	<b>57.42</b>	<b>1,020.06</b>	<b>60.89</b>	<b>1,175.31</b>	<b>59.59</b>

Details	As at 31 Dec 2019		As at 31 Dec 2020		As at 31 Dec 2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Non-Current Liabilities</b>						
Long-term borrowings from financial institutions	105.06	7.06	84.30	5.03	87.66	4.44
Lease liabilities	20.69	1.39	26.37	1.57	29.03	1.47
Retention payables	8.30	0.56	8.94	0.53	11.96	0.61
Non-current provision for employee benefits	5.06	0.34	7.13	0.44	7.28	0.37
<b>Total Non-Current Liabilities</b>	<b>139.10</b>	<b>9.35</b>	<b>126.74</b>	<b>7.57</b>	<b>135.93</b>	<b>6.89</b>
<b>Total Liabilities</b>	<b>993.33</b>	<b>66.77</b>	<b>1,146.80</b>	<b>68.46</b>	<b>1,311.23</b>	<b>66.48</b>

As at 31 December 2019 - 2021, the Company's total liabilities reflecting to 66.77%, 68.46% and 66.48% of total liabilities and equity, respectively. In 2021, the Company's total liabilities increased by Baht 164.43 million, compared with 2020, equivalent to a 14.34%. Details on changes in the Company's liabilities can be summarized as follows.

- **Bank overdraft and short-term borrowings** The Company has short-term loans uses as projects operation and working capital of the Company. In form of bank overdraft, and promissory note with short-term period of 1-5 months and be able to roll over from other party, a related party and financial institutions that the Company has credit facilities. In 2019 - 2020, the Company had short-term loan from financial institutions of Baht 222.25 million, and Baht 509.10 million, respectively. Regarding of the year 2020, it were several construction projects in the early and late stages of construction projects. Therefore, the amount of work delivered were not much. The Company's necessary to use working capital for many projects on hand such for labor, raw material and construction consumable costs. In addition, the projects of work received in 2020 did not have advance payments. The Company, in that period, need to borrow short-term money from an other party, a related party company, and financial institutions that the Company has a credit facilities. However, the Company paidoff loans by the due date from the collection for construction projects received from the customers at that time. Resulting to, as at 31 December 2021 the Company's short-term loans decreased amounting to Baht 373.50 million.

- **Trade and Other Payables** comprise of materials creditors, subcontractor cost, accrued costs, provision for damage from defective service after project delivery, set up in the case of lawsuits. As at 31 December 2021, trade and other payables increased amounting to Baht 112.89 million, or 42.60% compared with 2020. Due to procurement of construction material and goods and employment of subcontractors in accordance with the increased number of projects of the Company. However, the Company has credit terms for payment of 45 - 90 days.

- **Contract liabilities** As at 31 December 2019 - 2021, the Company has contract liabilities (or received advance payments from construction projects and advance income received) amounting to Baht 217.25 million, Baht 141.08 million, and Baht 289.86 million, respectively. Components of contract liabilities can be divided into;

- Construction income received in advance (income received in advance from customers in accordance with the milestone conditions in the contract which is higher than the revenue recognized). When the Company has transfer control over goods and services to customers under the agreement, this transaction will be deducted and recognize as service revenue in the future. As at 31 December 2021, the Company has reduced of construction income received in advance amounting to Baht 109.56 million.
- Advance received from construction contracts are deposit of project hired according to contract conditions. Which will be reduced proportionally as charged to customers in the next billing invoice. As at 31 December 2020 and 2021, the Company received advance payment for construction amounting to Baht 109.45 million and Baht 148.66 million. These were the advance received from the project contract around 10% - 20% of the project value and gradually recognize revenue in the following year by the proportion of work delivery which be able to invoice to customers.

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

- **Long-Term Borrowings from financial institutions** The Company sourced its long-term funds from a Thai commercial bank with loan amount of Baht 250 Million and interest rate of MLR minus 0.50% to fund the purchase of land, factory, office building, vehicles, and machinery used in construction which located in Muang District, Rayong Province. In every year, these loan going

to decrease of Baht 38.64 million, in accordance with principal repayment specified in the contract. Except of 2020, long-term borrowings decreased by amounting of Baht 20.76 million, due to the Bank of Thailand's measures to various financial institutions to assist debtors who has affected by the COVID-19 epidemic with a grace period (temporary debt moratorium). The Company was affected and asked this assistance to apply for these campaign with banks. In April 2020, the Company amended its credit facility agreement with a financial institution by having the grace period of principal loan repayment for 6 months from April to September 2020. The final repayment date of long-term borrowings from financial institutions will be due within February 2024 which is replaced the formal one in September 2023.

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

## Equity

Equity attributable to owners of the Company as at 31 December 2021 amounting to Baht 654.08 million, increased to Baht 131.54 million, or 25.17%, compared with a previous year which has equity amounting to Baht 522.54 million. The changes of shareholder's equity when compared with last year, due to the Company's operating results with net profit attributable to shareholders of the parent company amounting to Baht 136.51 million. In addition, the dividend payment for the year 2020 performance at the rate of 0.04778 baht per share, total value of Baht 13.38 million, details of dividend payment as follows:

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

Equity attributable to owners of the Company as at 31 December 2020 amounting to Baht 522.54 million, reflecting a Baht 31.52 million increase from 2019, or 6.42%. Resulted from, operating results with net profit attributable to owners of the parent amounted of Baht 61.51 million. Including, interim dividend payment amounted of Baht 30 million.

Equity attributable to owners of the parent as at 31 December 2019 and 2020 amounting to Baht 491.02 million, and Baht 522.54 million, respectively. The increased of 2019 amounting to Baht 333.17 million, resulted from, in 2019, the Company offered to sell 80,000,000 new shares for IPO. The offering of new shares to the subscribers at the price of 3.90 Baht per share (0.50 share capital and share premium 3.40 baht) in the amount of Baht 312.00 million. And the first trading date of the Company's shares on the Stock Exchange of Thailand was 22 January 2019. The Company presented share premiums after deducting expenses directly related IPO events to share premiums. In 2019, its equity also increased from operating profit amounting to Baht 75.46 million. And decreased from dividend payment amounting to Baht 28.00 million.

## Liquidity, sources and used of funds

Cash flow	2019	2020	2021
	Million Baht	Million Baht	Million Baht
Net cash from (used in) operating activities	(210.58)	(68.41)	315.00
Net cash from (used in) investing activities	(198.53)	(35.57)	(26.37)
Net cash from (used in) financing activities	388.51	231.77	(168.59)
Net increase (decrease) in cash and cash equivalents	(20.59)	127.79	120.04
Cash and cash equivalents at 1 January	35.22	14.62	142.41
Cash and cash equivalents at 31 December	14.62	142.41	262.45

As the structure of the source and used of cash flows in each activity of 2019 - 2020, it found that after the Company raised funds from the initial public offering in 2019 to be used for investment in the purchase of land in Pluak Daeng District, Rayong Province and the purchase of construction machinery. As a result, the Company's have more capability to do construction work. Consequently,

there was a steady increase in cash flow from the debt collection from customers, which was associated with increased working capacity. However, in each year of operation, the Company has other sources of funds such as short-term borrowing from related parties, financial institutions which has credit facility to be used as working capital for the operation of the construction projects on hand at that time.

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

Cash flows (used in investing activities) for 2020 - 2021 amounted to Baht (35.57) million and Baht (26.37) million, respectively. The main investment items of the Company was invested into equipment and machinery. Including, intangible assets increased from previous year, these for support the Company's construction services. And in 2019, the cash received from the IPO was used to purchase land, buildings and factories in Pluak Daeng District, Rayong Province, valued at approximately Baht 100 million as mentioned earlier.

In 2019 – 2021, cash flows from financing activities used to repay long-term loans from financial institutes and dividend payment of Baht 29.61 million, Baht 29.99 million, and Baht 6.38 million, respectively. In addition, in 2021, the Company has cash flow (used) to repay short-term loans amounting to Baht (135.60) million. Moreover, in 2020, the Company still has cash inflows from short-term borrowings amounting to 306.86 million, respectively, to be used as working capital for the group of companies. and construction projects on hand.

## Key Financial Ratios

Details	Unit	Audited		
		2019	2020	2021
<b>Liquidity ratio</b>				
Current ratio	times	0.94	0.88	1.07
Quick ratio	times	0.25	0.34	0.50
Liquidity ratios of cash flow				
(Operating Cash Flow to Current Liabilites)	times	(0.25)	(0.07)	0.29
Account Receivable turnover	times	10.31	11.42	8.30
Average Collection Period	days	35 days	32 days	44 days
Inventory Turnover <sup>1</sup>	times	N/A	N/A	N/A
Average Inventory Period <sup>1</sup>	days	N/A	N/A	N/A
Account Payable turnover	times	6.03	6.94	5.91
Average Payment Period	days	60 days	53 days	62 days
Cash Cycle <sup>1</sup>	days	N/A	N/A	N/A
<b>Profitability Ratios</b>				
Gross Profit Margin	%	8.97	7.97	13.49
Operating Profit Margin	%	5.44	4.78	9.32
Other Profit Margin	%	0.30	0.15	0.21
Cash to Profitability Margin	%	(190.12)	(64.13)	154.07
Net Profit Margin	%	3.70	2.75	6.21



Details	Unit	Audited		
		2019	2020	2021
<b>Efficiency Ratios</b>				
Return on Equity	%	23.26	12.14	23.20
Return on Asset	%	8.40	6.75	11.21
Return on Fixed Asset	%	26.39	22.62	36.71
Total Asset Turnover	times	1.55	1.41	1.21
<b>Financial Policy Ratios</b>				
Debt to Equity Ratio	times	2.02	2.19	2.00
Interest Coverage Ratio	times	7.23	3.93	6.78
Interest Bearing Debt	times	0.84	1.34	0.89
Debt service coverage ratio	times	(0.23)	(0.06)	0.18
Dividend Payout <sup>3</sup>	%	39.48	46.91	4.62
Share information (at par value of Baht 0.50 per share)				
Book value per share	Baht	1.79	1.89	2.25
Earning Per Share <sup>2</sup>	Baht	0.27	0.22	0.46

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

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

<sup>3</sup>Calculated from the amount of dividends paid divided by net profit of the consolidated financial statements.

# Other Importance Information and Legal dispute

## Other Importance Information

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### Information on relevant persons in the Company

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

### Company Secretary

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

### Audit fees

In 2021, the Group had audit fees for KPMG Phoomchai Audit Limited. amounting to THB 3.10 million.

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## Legal Dispute

As at 31 December 2021, the Company had a legal dispute that the Appeal Court announced the judgement dated on 30 November 2021 agreed with the Court of the First Instance. This case considered as the voluntarily terminated the contract which Plaintiff and the Company cannot claim damages to each other. Resulting to, the Plaintiff has to pay back money to the Company after off-setting the Company’s liabilities, including, its interest according to the specified time.

Currently, the Company is processing of the execution judgement to against the Plaintiff to comply with the Appeal Court’s judgement. Meanwhile, the Plaintiff applied for extend the period of petition and the Supreme Court has permitted the extension period for filling a petition until 31 March 2022.



# **Section 2**

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## **Corporate Governance**

# Corporate Governance

## Corporate Governance Policy

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

### Section 1 Rights of Shareholders

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

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

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

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

### Section 2 Equitable Treatment of Shareholders

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The Board of Directors is aware of the rights of shareholders and places emphasis on equitable and fair treatment of all shareholders, whether or not such shareholders are executives, of certain nationalities, or own a significant portion of the Company's shares. As such, the Company has a policy on treating shareholders with equitability, as well as protecting and retaining basic rights of shareholders. Shareholders have equal rights in the purchase, sale, or transfer of shares, receiving a share of the Company's profits, receiving sufficient information concerning the Company and its operations, attending shareholders' meetings to vote on

various matters such as the appointment of directors or revocation of directorship, appointment of external auditor and determination of auditor remuneration, as well as key matters including dividend payment, determination or modifications to the Articles of Association and Memorandum of Association, increase or decrease of share capital, and approval of special transactions.

The equitable treatment of shareholders are the following details.

## 2.1 Shareholders' Meeting

- Shareholders have equitable of their rights to cast into the vote, a shareholder has 1 vote for 1 share in the Company, enabling participation in the Company's key decisions.
- The Company gives shareholders the opportunity to propose matters to be included as agenda as well as to propose persons to be considered for election as director in the Annual General Meeting at least 1 month in advance before the date of the Annual General Meeting, in accordance with the Company's guidelines.
- The Company sends out invitations to shareholders' meeting together with supporting documents in the consideration of each agenda item and the opinion of the Board of Directors for every agenda at least 7 days prior to the date of the shareholders' meeting, unless specified otherwise in the notification, announcement, order, or specification of the Stock Exchange of Thailand and Securities and Exchange Commission. The Company also discloses such invitation to shareholders' meetings on the Company website at least 1 month prior to the date of the shareholders' meeting such that shareholders have sufficient time to carefully study the information and make informed decisions. The invitation to shareholders' meeting will be prepared in Thai and disclosed together with an English translation of the whole document.
- The Company informs shareholders of the specification and methodology in attending shareholders' meetings in the invitation to shareholders' meetings, as well as the methodology and process associated with voting, vote counting, and voting rights of different classes of shares at the start of the meeting. During the meeting, the Company will arrange for a clear process of information presentation, inquiries, voting, and resolution of each agenda. The Company gives shareholders the opportunity to submit inquiries in advance, as well as facilitates shareholders in opening registration 1 hour prior to the meeting time and enabling until the end of the meeting.
- The Company will not deprive shareholders of the right to receive information on the Company as required in accordance with various regulations, as well as during shareholders' meetings such as unexpectedly failing to distribute additional documents containing important information, denying the addition of agenda items or modification of key information without informing shareholders in advance, and denying access to the meeting for shareholders arriving late.
- The Company facilitates and encourages shareholders and proxies in attending shareholders' meetings and exercising votes by proceeding with the order as specified in the invitation to shareholders' meetings, denying unnecessary additions to the agenda by executives without informing shareholders in advance especially for agenda of importance which shareholders require time to consider facts before arriving at a decision, allowing shareholders and proxies attending the meeting to express opinions, provide suggestions, and make inquiries in each agenda with suitable and sufficient amount of time, and allowing shareholders to vote on the appointment of directors on an individual basis.
- In case that shareholders are unable to attend the meeting, the Company facilitates in giving proxy to independent directors or any other persons to attend the meeting in the shareholders' place and prepares Proxy Form B, in which shareholders may specify the allocation of their votes on each agenda, available for download from the Company website. As such, the Company will propose names of at least 1 independent director for shareholders to consider and give proxy.
- The organizing of shareholders' meeting, the Company will use a place that is convenient for traveling, by provide a map which shows the meeting place of shareholders in the invitation letter. Including, arrangement with the appropriate date, time, and allocate sufficient time for the meeting in order to comply with the policy that will facilitate the shareholders of the Company.
- The Company arranges for the clear, accurate, completely record of minutes of the meeting and meeting's resolutions such that shareholders are able to perform checks, and will disclose such minutes of the meeting on the Company website after submission to the Stock Exchange of Thailand.

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

## 2.2 Conflicts of Interest

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

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

## 2.3 Monitoring Use of Internal Information

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

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

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

## Section 3 Roles of Stakeholders

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

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

<b>Shareholder</b>	The Company is committed to better represent the shareholders in business to create maximum satisfaction for shareholders by taking into account of the growth of value of company in long-term and actions reveal information in a transparent and credible.
<b>Employee</b>	The Company recognized the importance of employees as the supporter of company's work plans and the one who help drive company to the determined business objective. Thus, the company treats all employees fairly and equally. The company also encourages employees to participate in the atmosphere felling safe at work by setting clearly and concisely steps of working, choosing equipment that meet the safety standard, analyze safety risk to establish appropriate defensive control measures, communicate with employees to make them understand and work in the common direction, create good working atmosphere and team building. These help build team confidence and spirit in working as well as ensure employees' well-being.
<b>Executive</b>	The Company recognizes the importance of the executives as the people who plays important roles in determining strategic directions and business plans as well as controlling the Company to move in the right direction to achieve the target determined by the board of directors. To show our awareness, the Company proposes appropriate and fair compensation to the executive in order to compensate and motivate the executive's intention and effort in management to achieve company's determined target.
<b>Business Partners</b>	The Company recognizes the importance of the Company's business partners that help support and drive business to achieve its determined growth and target. Thus, the Company will treat all the partners equally and fairly on the basis of fair return to both parties and strictly comply with trading condition.
<b>Customers</b>	The Company recognize the importance of customers by giving first priory to maintaining good and sustainable relationship with them, complying with contracts, agreements or conditions transparently, committing to meet and serve goods and services for satisfaction and confidence to customers and disclose customers secret information.
<b>Trade Partners</b>	: The Company conducts fair practice with all trade partners, strictly complies with trading conditions and not demand or receive any dishonest benefits from the trading partners.
<b>Creditors</b>	The Company complies with agreements between the Company and its creditors by paying creditors in a timely manner to creating trust and sincerity among each other.
<b>Competitors</b>	The Company complies with competitor in a frame of fairly rule and emphasize on creating of business competitive edge by developing the Company's potential, not to seek confidential information of business competitors in an improper or dishonest manner or damage the reputation of our competitors either directly or by indications.
<b>Environment</b>	The Company places important on environment preservation by preventing environmental impact which may incur and exceed legal limit as well as increase efficiency of resources usage and controlling its environmental impact in accordance with the laws and regulations.
<b>Community/Society</b>	The Company recognizes the supporting in activities of promoting quality of life and cultivating social responsibility spirit to employees at all level that can lead to the development in community, society and environment.

**Government  
Sectors and  
Related Units**

The Company recognizes the roles, duties and responsibilities of government sectors and related units and has a strong intention of cooperating with them to lighten their loads by complying with related rules, regulations, and laws. In addition, the secretary is assigned to responsible for inspecting and reviewing the compliance with related rules, regulations, and laws and the performance of internal auditors whether it in accordance with the manual and related standard or not before sending the report of review and inspection to the board of directors annually.

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

### 3.2 Anti-Fraud

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

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

**Report fraud  
and corruption clues**

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

**Other communication  
channels**

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

In order to protect the rights of the whistleblower, the complainant and the informant, or those who participated in the investigation, the Company will conceal name, address, and any information that can possibly identify them. In addition, the Company will keep all information confidential. Only responsible person who conducts the investigation will be able to access such information.

## Section 4 Disclosure and Transparency

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

### 4.1 Board of Directors' Report

The Board of Directors is responsible for the preparation of financial reports and financial information, in accordance with international accounting standards generally accepted in Thailand and with related laws, which have been audited by the independent external auditor. Accounting policies chosen are appropriate and consistently applied, with preparation done with cautious



discretion and sufficient disclosure of key information in the notes to financial statements. The Board of Directors has appointed the Audit Committee responsible for monitoring the quality of financial reports and internal control system, with disclosure of the opinion on such matters to be included in the Audit Committee Report section of the Annual Report together with the Report on Responsibilities of the Board of Directors to Financial Statements and the Auditor's Report.

#### 4.2 Investors relationship

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

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

### Section 5 Responsibilities of the Board of Directors

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

As at 31 December 2021, the Board of Directors consists of 9 directors, with 3 directors who are not executives, with complete qualifications as independent directors, making up no less than one-third (1/3) of the total number of directors, to serve as checks and balances in the consideration of various matters and to oversee management practices of executives for the greatest benefit of the Company.

The Company has a policy to separate the position of the Chairman of the Board of Director and Chairman of Executive Committee/Chief Executive Officer are different persons. In order to prevent having unlimited power to manage the Company's operation. However, the Company Secretary performs the task of advising on various regulations that the Board of Directors should be aware and should ensure compliance in the Board's activities, as well as coordinate for compliance with the Board of Directors' resolution. The responsibilities of the Board of Directors are following;

#### 5.1 Corporate Governance Policy

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

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

## 5.2 Anti - Corruption

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

## 5.3 Code of Conduct

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

## 5.4 Conflicts of Interest

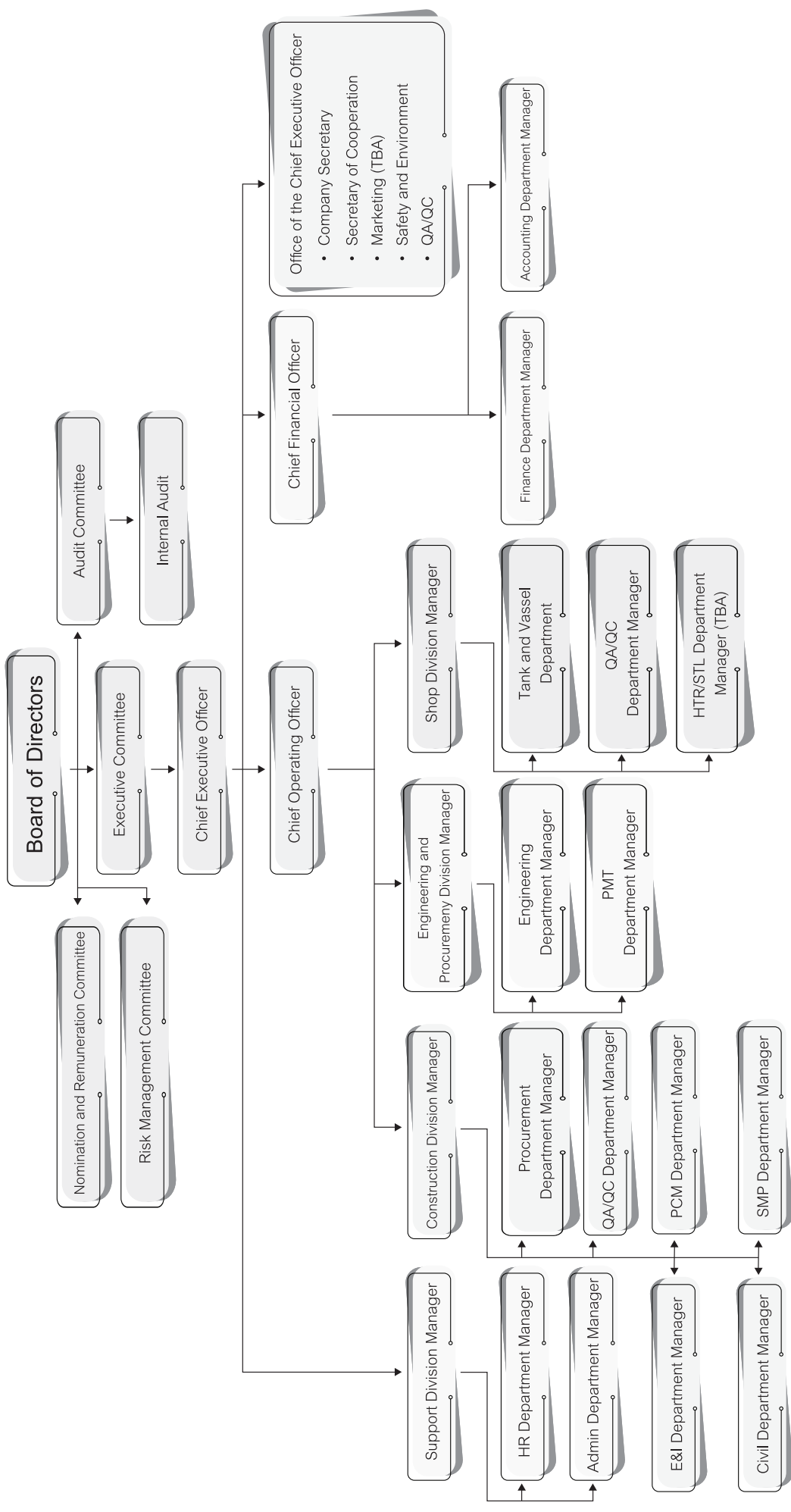
The Board of Directors set policy on conflicts of interest with the basis of making any operational business decisions solely for the greatest benefit of the Company and the avoidance of any actions which may pose as conflicts of interest. Related parties are to inform the Company of the nature of relationship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

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

# Governance Structure

and importance information of the Board of Directors, Sub-Committee, Executives and employee

The Company's organization structure as at 31 December 2021 as follows.



## The Board of Directors Structure

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

### Board of Directors

As at 31 December 2021, the Board of Directors comprises of the following 9 directors.

- 3 independent directors (34% Of the entire board)
- 2 Directors (Executive) (22% Of the entire board)
- 4 Directors (44% Of the entire board)

Name of Director	Position	Date of Appointed	Training of Role and function Skill of director <sup>2/</sup>
1. Mr. Narongrit Tavorvisitporn	<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors</li> <li>• Independent Director</li> <li>• Audit Committee member</li> <li>• Nomination and Remuneration Committee member</li> </ul>	<ul style="list-style-type: none"> <li>• 23 November 2017</li> <li>• 23 November 2017</li> <li>• 23 November 2017</li> <li>• 24 January 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Director Certification Program (DCP) Batch of 166/2012</li> </ul>
2. Mr. Natie Tabmanie	<ul style="list-style-type: none"> <li>• Chairman of the Audit Committee</li> <li>• Independent Director</li> <li>• Nomination and Remuneration Committee member</li> </ul>	<ul style="list-style-type: none"> <li>• 11 November 2019</li> <li>• 11 November 2019</li> <li>• 11 November 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Director Certification Program (DCP) Batch of 168/2020</li> </ul>
3. Mr. Yingyong Techarungnirun <sup>1/</sup>	<ul style="list-style-type: none"> <li>• Audit Committee Member</li> <li>• Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>• 23 November 2017</li> <li>• 23 November 2017</li> </ul>	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) Batch of 145/2018</li> </ul>
4. Mr. Chung Sik Hong	<ul style="list-style-type: none"> <li>• Chairman of Executive Committee</li> <li>• Director (Executive)</li> <li>• Chief Executive Officer</li> <li>• Chairman of Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>• 6 February 2014</li> <li>• 6 February 2014</li> <li>• 6 February 2014</li> <li>• 22 February 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) Batch of 146/2018</li> </ul>
5. Mr. Prasert Treeveeranuwat	<ul style="list-style-type: none"> <li>• Director (Representative from TAKUNI Group)</li> <li>• Risk Management Committee member</li> <li>• Executive Committee member</li> </ul>	<ul style="list-style-type: none"> <li>• 11 March 2016</li> <li>• 22 February 2018</li> <li>• 1 December 2015</li> </ul>	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) Batch of 103/2013</li> </ul>

Name of Director	Position	Date of Appointed	Training of Role and function Skill of director <sup>2/</sup>
6. Ms. Nita Treeveeranuwat	<ul style="list-style-type: none"> <li>• Director (Representative from TAKUNI Group)</li> <li>• Executive Committee member</li> </ul>	<ul style="list-style-type: none"> <li>• 1 December 2015</li> <li>• 1 December 2015</li> </ul>	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) Program Batch of 100/2012</li> <li>• Director Certify Program (DCP) Program Batch of 208/2015</li> </ul>
7. Mr. Somchai Kanbuakeaw	<ul style="list-style-type: none"> <li>• Director (Representative from TAKUNI Group)</li> <li>• Chairman of Nomination and Remuneration Committee</li> <li>• Risk Management Committee member</li> <li>• Executive Committee member</li> </ul>	<ul style="list-style-type: none"> <li>• 1 April 2015</li> <li>• 24 January 2018</li> <li>• 22 February 2018</li> <li>• 1 December 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) Batch of 129/2016</li> </ul>
8. Ms. Kanchana Rimpanichayakij	<ul style="list-style-type: none"> <li>• Director (Representative from TAKUNI Group)</li> </ul>	<ul style="list-style-type: none"> <li>• 17 September 2018</li> </ul>	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) Batch of 103/2013</li> </ul>
9. Mr. Yeong Cheol Choi	<ul style="list-style-type: none"> <li>• Director (Executive)</li> </ul>	<ul style="list-style-type: none"> <li>• 29 February 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP) Batch of 146/2018</li> </ul>

Note: <sup>1/</sup> Mr. Yingyong Techarungnirun t is an Audit Committee who had knowledge and experience to review the financial statements.

<sup>2/</sup> DAP = Director Accreditation Program

DCP = Director Certification Program

## Authorized Director

Mr. Chung Sik Hong and Mr. Somchai Kanbuakeaw or Ms. Nita Treeveeranuwat are directors authorized to act on behalf of the Company through joint signatures and affixed Company seal.

## Scope of duty and responsibility

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

### Board of Directors

1. Oversees and monitors the Company's business operations to be in line with resolutions which shareholders approve and laws that govern the Company including the objectives, regulations, resolutions in the meetings of shareholders and resolutions of the Company's Board of Director.
2. To Set up policies, considering and approve visions, missions, strategies, goals, business plans, budget, risk management policy and appropriate internal control systems including improvement all strategies for the changes to be in line with the Company's situations.
3. Monitoring and supervision to the Company's executive managing in order to accordance with the policies, plans and budgets which are setup with efficiency and effectiveness. Including determining remuneration and review the succession planning.

4. Considering and approval the organizational structure and authorization of management. The appointment of the Executive director, Chief Executive Officer, and other appropriate sub-committees. Including, the determining scope of management and duties of the Executive Committee, Managing Director and various subcommittees appointed, covering details of the selection of candidate, recruitment, transfer, training and termination of the Company's employees who are management team or senior management. These are assigns the Managing Director to be authorized on behalf of the Company to sign an employment contract.
5. The Board of Directors may delegate the authority to one or more directors or any other person to perform any act on behalf of the Board of Directors by under the control of the Board of Directors. Moreover, may give the authorization to such person to have the authority as the Board of Directors agree within the specific period, or the Board of Directors deems appropriate. However, the Board of Directors may revoke, change or amend such authorized the power when it deems appropriate depending on situations.
6. The appointment of sub-committees to responsible and supervise the Company's operations in order to achieve the goals and objectives.
7. Considering of the profits allocation for dividend payment. and propose to the shareholders' meeting for consideration and approval.
8. Appointing a company secretary to performing and responsible for various duties on behalf of the Company or the Board of Directors, such as the director registration, Board of Directors' meeting invitation letter, and the shareholders' meeting invitation letter.

## Audit Committee

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

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

of Audit Committee meetings and the attendance of each audit committee; overall opinions or observations received by the Audit Committee from performing duties under the Charter; and other items that shareholders and general investor concern under the scope of duties and responsibilities assigned by the Board of Directors.

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

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

## Nomination and Remuneration Committee

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

### Recruitment

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

### Remuneration

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

## Executive Committee

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

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

## Risk Management Committee

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

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

## The Board of Directors' and Sub – Directors' meeting

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The Board of Directors has meeting scheduled at least 4 times per year, with regular a meeting every quarter and additional special meetings as appropriate and necessary. The agenda of meeting is clearly set up and has the regular agendas to consider of the Company's operating results. The Board of Directors' meeting quorum consisting of the total number of directors to be at least 2 of 3 of total directors. In 2021, the Board of Directors meeting were amounting to 5 times.

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

## Director's Remuneration, Sub – Committees and Executives

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



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

## Executives

As at 31 December 2021, the Company has 6 executives with details as follows.

Name	Position <sup>1/</sup>
1. Mr. Chung Sik Hong	Chief Executive Officer
2. Mr. Yeong Cheol Choi	Chief Operating Officer
3. Ms. Phornthiphat Khantheevit	Chief Financial Officer
4. Mrs. Wimol Wehanarat	Support Division Manager
5. Mr. Wang Youp Jhee	Construction Division Manager
6. Ms. Maliwan Sriwasasom	Accounting Manager

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

## Compensation for Executives

Compensation for 6 the Company's Executives, such salary and other benefits for 2019 - 2021 are follows.

Details	(Unit : Million Baht)		
	2019	2020	2021
Salary	17.32	14.99	15.41
Bonus Provident fund and other compensation <sup>1/</sup>	2.19	0.70	5.29
Car	Yes	Yes	Yes
<b>Total</b>	<b>19.51</b>	<b>15.69</b>	<b>20.70</b>

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

## Employees

The total number of monthly employees of the Company (excluding Executives) as at 31 December 2019 - 2021 following details.

Department	Head Count (Persons)											
	As at 31 December 2019				As at 31 December 2020				As at 31 December 2021			
	Thai	Korean	Philip-pines	Total	Thai	Korean	Philip-pines	Total	Thai	Korean	Philip-pines	Total
Company Secretary	1	-	-	1	1	-	-	1	1	-	-	1
Information Technology Department	2	-	-	2	3	-	-	3	3	-	-	3
Marketing Department	-	1	-	1	-	-	-	-	-	-	-	-
Construction Division	306	11	2	319	254	13	3	270	305	13	3	321
Accounting / Finance Department	5	-	-	5	5	-	-	5	5	-	-	5
Procurement Department	5	-	-	5	5	-	-	5	5	-	-	5
Planning Department	2	-	-	2	-	-	-	-	-	-	-	-
Cost CTL Team	-	2	-	2	2	2	-	4	2	2	-	4
Store and Warehouse Team	2	-	-	2	1	-	-	1	2	-	-	2
HR and Admin Department	7	-	-	7	9	-	-	9	10	-	-	10
Engineering Department	10	4	-	14	10	4	-	14	12	4	-	16
<b>Total</b>	<b>340</b>	<b>18</b>	<b>2</b>	<b>360</b>	<b>290</b>	<b>19</b>	<b>3</b>	<b>312</b>	<b>345</b>	<b>19</b>	<b>3</b>	<b>367</b>

Daily workers as at 31 December 2019 - 2021

	Labor (Persons)								
	As at 31 December 2019			As at 31 December 2020			As at 31 December 2021		
	Thai	Foreigner	Total	Thai	Foreigner	Total	Thai	Foreigner	Total
Production & Erection	656	39	695	2,291	20	2,311	1,223	4	1,227

## Employee Compensation

Compensation paid to employees (excluding Executives) in 2019 2020 and 2021 amounted to THB 465.95 million, THB 832.82 million, and THB 531.53 million, respectively, paid in the form of salary, bonus, social security, employee benefits, and other incentive-based compensation for example, paid out of cost savings as compared to project costs specified in the Company policy.

## Provident Fund

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

## Management Structure of JKEC Company Limited

### Board of Directors

As at 31 December 2021, the Board of Directors comprises of the following 3 directors.

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

### Authorized Director

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

### Number of Employees

The total number of employees of the Company as at 31 December 2019 2020 and 2021, with the following details.

Department	Head Count (Persons)								
	As at 31 December 2019			As at 31 December 2020			As at 31 December 2021		
	Thai	Korean	Total	Thai	Korean	Total	Thai	Korean	Total
Chief Executive Officer	-	1	1	-	1	1	-	1	1
HR and General Admin Department	10	-	10	6	-	6	4	-	4
Accounting / Finance Department	2	-	2	2	-	2	2	-	2
PMT Department	4	-	4	4	1	5	3	1	4
Construction Department	45	-	45	57	-	57	62	1	63
<b>Total</b>	<b>61</b>	<b>1</b>	<b>62</b>	<b>69</b>	<b>2</b>	<b>71</b>	<b>71</b>	<b>3</b>	<b>74</b>

Daily workers as at 31 December 2019 - 2021

	Labor (Persons)								
	As at 31 December 2019			As at 31 December 2020			As at 31 December 2021		
	Thai	Foreigner	Total	Thai	Foreigner	Total	Thai	Foreigner	Total
Production Department	713	66	779	1,018	78	1,096	744	36	780

### Compensation for employees

Total remuneration for employees of the Company (Excluding executives) in 2019 2020 and 2021 in the amount of THB 197.58 million, THB 218.05 million and THB 162.09 million respectively, which are compensation in the form of salaries, bonuses, social security, employee benefits other compensation paid to the Incentive, which is paid from the cost of saving compared to the estimated cost of the project under the Company's policy.

### Labor Disputes within last 3 years

- None -

# Report on significant operations in corporate governance

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

In 2021, the Company's Board of Directors directed and monitored the business operations, sub-committee including management team to meet the set policies in an efficient manner and comply with corporate governance.

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

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

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

During 2021, the Nomination and Remuneration Committee comprising 3 committees who are responsible for recruiting and selecting appropriate persons in conjunction with considering characteristics of business and future plans and future plans have set the qualifications of directors. The person must have qualifications, knowledge, abilities and experience to be able to contribute benefits to the Company's business operations. In addition, such individuals undertake their duties with responsibility, caution, honesty, business ethics, good vision and attitude towards the organization as well as having a good performance.

In 2021, the directors attended the Board of Directors, sub-committee, and the Annual General of Shareholders Meeting as details follows.

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

## Director Remuneration

In 2021, the Company has proposed the remuneration of the Company's directors and sub-committees to be as monthly compensation, meeting allowance, gratuities, and other compensation. Amounting not excess than THB 2 million. It was approved by the 2021's Annual General Meeting of Shareholders on April 23, 2021, as detailed below.

Financial Remuneration	Monthly Compensation Baht / month / person		Meeting Allowance Bath / time / person	
	2021	2020	2021	2020
1. Chairman of the Board of Directors	35,000	35,000	None	None
2. Chairman of the Audit Committee	30,000	30,000	None	None
3. Audit Committee member	25,000	25,000	None	None
4. Chairman of the Nomination and Remuneration	None	None	12,500	12,500
5. Director	None	None	12,000	12,000
6. Chairman of the Nomination and Remuneration	None	None	10,000	10,000

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

Remuneration to directors for the period 1 January - 31 December 2021, details are as follows:	2021			Total
	Monthly compensation	Board of Directors	Nomination and Remuneration Committee	
1. Mr. Narongrit Tavornvisitporn Chairman of the Board of Directors / Audit Committee / Independent Director / Nomination and Remuneration Committee	420,000	-	59,445	479,445
2. Mr. Natie Tabmanie Chairman of the Audit Committee / Independent Director / Nomination and Remuneration Committee	360,000	-	59,445	419,445
3. Mr. Yingyong Techarungnirun Audit Committee / Independent Director	300,000	-	59,445	119,445
4. Mr. Chung Sik Hong Director / Chairman of Executive Committee / Chief Executive Officer / Chairman of Risk Management Committee	-	60,000	59,440	119,440
5. Mr. Prasert Treeveeranuwat Director / Executive Committee / Risk Management Committee	-	60,000	59,445	119,445
6. Ms. Nita Treeveeranuwat Director / Executive Committee	-	60,000	59,445	119,445
7. Mr. Somchai Kanbuakeaw Director / Executive Committee / Chairman of Nomination and Remuneration Committee / Risk Management Committee	-	85,000	59,445	144,445
8. Ms. Kanchana Rimpanichayakij Director	-	60,000	59,445	119,445
9. Mr. Yeong Cheol Choi Director	-	60,000	59,445	119,445
<b>Total</b>	<b>1,080,000</b>	<b>385,000</b>	<b>535,000</b>	<b>2,000,000</b>

(Unit : Baht)

## Other Forms of Compensation

- None –

## Compensation for the Executive Committee

- None –

## Report of the Audit Committee

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

In 2021, the Audit Committee held 6 meetings, occasionally with auditors and without management to discuss on relevant matters of the auditing. The Audit Committee agrees that the Financial Reports of the Company for the year 2021 were accurate, reliable, sufficiently disclosed, and prepared in accordance with generally accepted accounting principles. The Company's risk management process is proper and the overall internal control system of the Company is effective and appropriate for the operations. The business has complied with all laws, regulations, and obligation related to the business as well as sufficiently integrated corporate governance with work performance leading to transparency and reliability. The Audit Committee also agrees that the Company continuously improved its operation systems to be higher quality and appropriate of its business environment.

# Internal control and Related Party Transaction

## Internal control

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



Dharmniti Internal Audit Company Limited, was appointed as the independent internal auditor from outsource. As the Company's consideration that they have experiences, knowledgeable, qualification and capable of accounting systems and internal control sufficient to perform his duties as an internal auditor of the Company. In 2021, Miss Anutsaya Raksasorn was assigned as an internal audit to verify the internal control system, internal auditing and follow up the improvement of the internal control system. Including, operations shall comply with the determined guideline in an efficient manner including auditing legal practices and requirements related to the company. The outsourced internal auditor has performed its duties independently and reported directly to the Audit Committee.

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





# Related Party Transactions

## Nature of Relationship

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

Potential Conflicting Parties	Nature of Relationship
Takuni Group Public Company Limited (TAKUNI)	TAKUNI is the Company's major shareholder, holding 36.64% of paid-up capital through Takuni (Thailand) Company Limited.
Takuni (Thailand) Company Limited (TT)	TT is TAKUNI's subsidiary and major shareholder of the Company, holding 36.64% of paid-up capital.
G Gas Logistics Company Limited (GG)	GG is TAKUNI's subsidiary (TAKUNI being major shareholder of the Company).
Ratchapruerk Engineering Company Limited (RE)	RE is TAKUNI's subsidiary (TAKUNI being major shareholder of the Company).
Mr. Chung Sik Hong	Director, executive committee, executive, and major shareholder of the Company, holding 10.20% of paid-up capital
Mr. Yeong Cheol Choi	Executive and shareholder of the company, holding 2.55% of paid-up capital
Mr. Wang Youp Jhee	Executive and shareholder of the company, holding 3.45% of paid-up capital

## Nature of Related Party Transaction

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

Natural Persons / Juristic Persons who may have Conflicts of Interest	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2019 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Necessity and Rationale	Opinion of the Audit Committee
1. Takuni Group Public Company Limited (TAKUNI)	<p><b>Service Income</b></p> <p>■ The Company had service income from EPC of Bangpa-Kong LPG Terminal Phase 3 (WP Ball Tank) Project for Takuni Group Public Company Limited</p> <ul style="list-style-type: none"> <li>• Service income 190,988,004</li> <li>• Electric income 1,228,921</li> </ul> <p><b>Outstanding Balance</b></p> <ul style="list-style-type: none"> <li>• Account Receivable 10,920,420</li> <li>• Retention amount -none-</li> <li>• Service income received in advance -none-</li> <li>• Unbilled receivables 17,643,946</li> </ul> <p><b>Payable balance</b></p> <ul style="list-style-type: none"> <li>• Account Payable 1,263,985</li> </ul>	12,974,054	-none-	-none-	<p>■ The Company entered into an EPC contract with Takuni Group Public Company Limited for Bangpa-Kong LPG Terminal Phase 3 (WP Ball Tank) Project valued THB 206.55 million for a duration of 18 months. (Sep 2017 – Mar 2020).</p>	<p>■ The Audit Committee is of the opinion that such transaction is normal business practice for both parties with normal pricing policy and terms of trade. TAKUNI has made price comparisons with other contractors and CAZ submitted its price based on normal terms as it would other clients. The transaction between TAKUNI and CAZ is in line with normal business practice and yields similar margin with comparable terms for CAZ when compared to projects which CAZ has performed for third-party clients.</p>
2. Takuni (Thailand) Company Limited (TT)	<p><b>Loan from Related Party</b></p> <p>■ The Company took out loans from its parent company to serve as working capital in business operations.</p> <ul style="list-style-type: none"> <li>• Beginning amount -none-</li> <li>• Additional drawdown in the period 157,500,000</li> <li>• Repayment in the period (157,500,000)</li> <li>• Ending amount -none-</li> </ul> <p>■ Interest payments (interest rate of MLR of 2 commercial banks with an average rate of 6.10% (2019), 5.61% (2020), 5.36% (2021))</p>	-none-	-none-	-none-	<p>■ For 12 months of 2019-2021 the Company loan with TT of THB 157.50 million, THB 279.00 million, and THB 500.00 million, respectively. And repayment all amount during period.</p> <p>■ Such transaction was incurred due to the need for short-term working capital for construction project, in which funding through bank loans was insufficient. The Company took out loans from a commercial bank at the interest rate of MLR - 0.5%, which is 0.5% lower than the rate which the Company paid to TT.</p>	<p>■ The Audit Committee is of the opinion that such transaction was necessary to generate benefit for the Company in utilizing the working capital to support business operations as planned.</p>

Natural Persons / Juristic Persons who may have Conflicts of Interest	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2019 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Necessity and Rationale	Opinion of the Audit Committee
3. G Gas Logistics Company Limited (GG)	<p><b>Service Expense</b></p> <p>■ The Company utilized GG's construction material transportation service with service expense paid at a rate comparable to what the Company has paid to other service providers.</p> <ul style="list-style-type: none"> <li>• Service expense</li> </ul> <p>Outstanding Amount</p> <ul style="list-style-type: none"> <li>• Trade payables</li> <li>• Accrued expense</li> </ul>	3,910,382	3,834,899	4,693,549	<p>■ The Company utilized GG's construction material transportation service, which constitutes normal business operations with price and terms of trade comparable to 2 other service providers. GG charges a monthly fee of THB 70,000 per month and overtime of THB 291.67 per actual hours of overtime, where the 2 other service providers charge an average monthly fee of THB 70,000 per month.</p>	<p>■ The Audit Committee is of the opinion that such transaction is appropriate, based on normal business practice for both parties with normal pricing policy and terms of trade.</p>
4. Ratchaprueng Engineering Company Limited (RE)	<p><b>Service Expense</b></p> <p>■ The Company utilized RE's Non-Destructive Testing – (“NDT”) service with service expense paid at a rate comparable to what the Company has paid to other service providers.</p> <ul style="list-style-type: none"> <li>• Service expense</li> </ul> <p>Outstanding Amount</p> <ul style="list-style-type: none"> <li>• Trade payables</li> <li>• Accrued expense</li> </ul> <p><b>Office Lease and Utility Income</b></p> <p>■ The Company received income from office lease and utilities from Ratchaprueng Engineering Company Limited with lease price set at market rates and utility income charged in accordance with the electricity bill received from the electricity authority.</p>	22,301,463	17,135,585	14,374,941	<p>■ The Company utilized RE's Non-Destructive Testing (NDT) service, which constitutes normal business operations with price and terms of trade comparable to 2 other service providers.</p> <p>■ The Company leases office space of 204 square meters within the Company's factory premises for prompt execution of NDT service checks. Office lease contract is automatically renewed each year (if no notification of cancellation is made in writing) with lease rate of THB 59 per square meter per month, equal to the independently-appraised rate (THB 59 per square meter) with utility charges as actually incurred.</p>	<p>■ The Audit Committee is of the opinion that such transaction is appropriate, based on normal business practice for both parties with normal pricing policy and terms of trade.</p> <p>■ The Audit Committee is of the opinion that office lease made to Ratchaprueng Engineering Company Limited is making use of idle assets not used in the operations of the Company. Lease rate and utility charge are appropriate in line with market prices and of greatest benefit to all parties.</p>

Natural Persons / Juristic Persons who may have Conflicts of Interest	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2019 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Necessity and Rationale	Opinion of the Audit Committee
	• Office lease income	144,000	144,000	144,000		
	• Utility income	140,689	79,181	65,262		
	<b>Outstanding Amount</b>					
	• Trade receivables	74,409	43,027	35,930		

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

Bank	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2019 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Collateral	Guarantor
1. Siam Commercial Bank	<b>Guarantee</b> ■ Letter of Guarantee • Drawdown Amount • Promissory Note	607,000,000 467,665,416 50,000,000	1,036,600,000 464,097,144 409,103,580	1,013,210,000 399,350,680 253,502,000	■ Land and buildings title deed numbers 111802, 111803, 111804, certificate of utilization (Nor Sor 3) located at 239 Huaypong Sub-district, Muang Rayong owned by CAZ (Thailand) Public Company Limited, mortgaged as collateral.	■ Takuni Group Public Company Limited ("TAKUNI") ■ Mr.Chung Sik Hong
	■ Loan Amount • Drawdown Amount	250,000,000 116,220,000	250,000,000 115,900,000	250,000,000 80,140,000		
	■ Overdraft • Drawdown Amount	5,000,000 -none-	5,000,000 -none-	5,000,000 -none-		
2. Kasikorn bank	<b>Guarantee</b> ■ Letter of Guarantee • Drawdown Amount	400,000,000 395,757,945	400,000,000 400,000,000	118,000,000 103,676,031	■ Land and buildings title deed numbers 11943, 72755, 72756, 72757, 72758, 72759, 72760, 72761, 72762, 114774, 114777, 114778, 114779, 114780, 114781, 120079, 133885 located at Bangkhae Sub-district (Lak Song), Phasi Charoen District, Bangkok owned by Takuni (Thailand) Company Limited, mortgaged as collateral.	■ Takuni Group Public Company Limited ("TAKUNI") ■ Takuni (Thailand) Company Limited ("TT") ■ G Gas Logistics Company Limited ("GG") ■ Ratchapruet Engineering Company Limited ("RE") ■ Mr.Chung Sik Hong
	■ Overdraft • Drawdown Amount	10,000,000 6,614,344	10,000,000 -none-	10,000,000 -none-		

Bank	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2019 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Collateral	Guarantor
2. Kasikorn bank (cont'd)	<p><b>Guarantee</b></p> <p>■ Letter of Guarantee</p> <p>• Drawdown Amount</p> <p><b>Factoring</b></p> <p>■ Loan Amount</p> <p>• Drawdown Amount</p>	<p>160,000,000</p> <p>-none-</p> <p>100,000,000</p> <p>32,247,285</p>	<p>160,000,000</p> <p>117,972,068</p> <p>100,000,000</p> <p>-none-</p>	<p>160,000,000</p> <p>86,299,078</p> <p>100,000,000</p> <p>-none-</p>	<p>■ Land and buildings title deed numbers 30696 and 30697 located at Ban Pathum Sub-district, Sam Khok District, Pathum Thani owned by Takuni Group Public Company Limited, ■ Mr.Chung Sik Hong mortgaged as collateral.</p>	<p>■ Takuni Group Public Company Limited ("TAKUNI")</p> <p>■ Takuni (Thailand) Company Limited ("TT")</p> <p>■ Ratchapruek Engineering Company Limited ("RE")</p>
2. Kasikorn bank (cont'd)	<p><b>Guarantee</b></p> <p>■ Letter of Guarantee</p> <p>• Drawdown Amount</p>	<p>59,342,000</p> <p>7,417,750</p>	<p>23,698,800</p> <p>2,369,880</p>	<p>-none-</p> <p>-none-</p>	<p>■ For the 12-month period ended 31 December 2019, a fixed deposit account valued THB 20,789,750 as collateral. Divided into;</p> <p>1. Letter of Guarantee line of THB 59,342,000 and guarantee amount of THB 7,417,750 for PTTGC ORP Structure Fabrication Project which will come to the end of its term on 29 February 2020 and</p> <p>2. Bid bond of THB 13,372,000 (guarantee amount of THB 13,372,000) which will come to the end of its term on 28 December 2018)</p> <p>■ For the 12-month period ended 31 December 2020, a fixed deposit account valued THB 2,369,880 as collateral for bank guarantee oversea contract amount of 118,494,000 THB for HMC PP4 Plant Project.</p>	<p>■ Takuni Group Public Company Limited ("TAKUNI")</p> <p>■ Mr.Chung Sik Hong</p>

Bank	Nature of Related Party Transaction	Transaction Value for the 12-month Period Ended 31 Dec 2019 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2020 (THB)	Transaction Value for the 12-month Period Ended 31 Dec 2021 (THB)	Collateral	Guarantor
2. Kasikorn bank (cont'd)	<b>Guarantee</b> <ul style="list-style-type: none"> <li>■ Letter of Guarantee</li> <li>• Drawdown Amount</li> <li>■ Loan Amount</li> <li>• Drawdown Amount</li> <li>■ Overdraft</li> <li>• Drawdown Amount</li> </ul>	-none- -none- -none- -none- -none- -none-	-none- -none- -none- -none- -none- -none-	592,000,000 415,505,304 20,000,000 20,000,000 10,000,000 -none-	<ul style="list-style-type: none"> <li>■ On 17 February 2021, the Company was mortgage Land and buildings of 79 Rai 188 sq. m., title deed Nor Sor 3 Kor numbers 68, 226, 1278, 1295, 1228 owned by CAZ (Thailand) Public Company Limited, located at 69 Lahan Sub-district, Pluakdang District, Rayong Province mortgaged as collateral, at amounting to Baht 166,000,000.</li> </ul>	<ul style="list-style-type: none"> <li>■ Takuni Group Public Company Limited ("TAKUNI")</li> <li>■ Takuni (Thailand) Company Limited ("TT")</li> <li>■ Ratchapruet Engineering Company Limited ("RE")</li> <li>■ Mr.Chung Sik Hong</li> </ul>

## Policies of the connected transactions in the future

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

- For normal business transactions and the transactions that support the normal business like purchasing and selling goods, offering services, etc., Audit Committee will consider and give opinion on the reason and necessity of recording stated transaction as well as normal trading policy of price mechanism. The transactions must be fair and irrelevant when the transfer of interests between the Company and person used to compare with the transfer of interests between the persons who might have conflict of interest and public or other relevant. Also, the consideration and opinion on the reason and necessity of recording stated transaction are quarterly given and perform according to the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on disclosure of connected transactions.
- Financial assistance transaction must operate under necessity, reasonableness, fair terms and conditions and gives the Company the highest benefit. For Guarantee transaction according to the requirement of loans from financial institutions to use as working capital which is a normal condition for providing loans to business whether by direct guarantee or placing collateral, the Company shall not incur any costs arising from the guarantee and shall not lose any benefits. The guaranteed transactions must be necessary for business operations. Moreover, the Audit Committee must consider and give opinion on the reason and necessity for the mentioned financial assistance transaction for the Company's maximum benefit. For provided and guaranteed transactions shall be treated as a normal transaction with third parties, including the consideration of fairness and complying with the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and regulations, notifications, including compliance with the disclosure requirements of connected transactions.
- In case that the Audit Committee has no expertise in the related party transaction currently under consideration, the Company will arrange for a person with knowledge and specialized expertise such as the auditor or independent asset appraiser to provide opinion on the related party transaction, to support the decision of the Board of Directors or shareholders (whichever may be the case). This is to ensure that such transactions will not constitute any transfer of benefits between the Company or potentially conflicting persons, but are for the greatest benefit of shareholders.
- Apart from normal business transactions and the transactions that support the normal business such as other asset or services transaction, revenue transaction, financial assistance transaction, etc. the Company assigned Audit Committee to consider and give opinion on the reason and necessity of recording stated transaction according to the announcement of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and rules on disclosure of the Company and its subsidiaries connected transactions. Moreover, the Company does not have policy for giving loans to person who might have conflict of interest to run a business or perform instead of the Company.

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

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



# **Section 3**

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## **Financial Statements**



# Independent Auditor's Report

To the shareholders of CAZ (Thailand) Public Company Limited

## Opinion

I have audited the consolidated and separate financial statements of CAZ (Thailand) Public Company Limited and its subsidiary (the "Group") and of CAZ (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

## Basis for Opinion

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

## Key Audit Matters

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

### **Recognition of revenue from construction contracts**

Refer to the notes 3(p), 6, 7 and 14 to the consolidated and separate financial statements.

#### **The key audit matter** .....

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

#### **How the matter was addressed in the audit** .....

##### **My audit procedures included:**

- Inquiring the management to understand and assess the process of preparation of total cost estimation of the contracts, calculation of percentage of completion, recognition of revenue from construction contracts including the evaluation of controls designed and implemented and the test of the operating effectiveness of relevant controls;

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

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

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

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

## Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Vipavan Pattavanvivek)  
Certified Public Accountant  
Registration No. 4795

KPMG Phoomchai Audit Ltd.  
Bangkok  
25 February 2022

# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
<b>Current assets</b>					
Cash and cash equivalents	5	262,451,221	142,417,902	261,627,747	141,346,823
Trade and other current receivables	6	324,144,931	204,873,818	371,204,365	267,704,356
Contract assets	7	617,006,692	512,281,001	617,006,692	512,281,001
Short-term loans to a related party	4	-	-	40,000,000	-
Inventories	8	40,840,407	34,541,672	40,694,924	34,470,873
Other current assets		10,803,260	7,260,808	8,822,548	5,676,245
<b>Total current assets</b>		<b>1,255,246,511</b>	<b>901,375,201</b>	<b>1,339,356,276</b>	<b>961,479,298</b>
<b>Non-current assets</b>					
Restricted deposit at financial institution	11	7,687,974	10,019,939	7,687,974	10,019,939
Investment in a subsidiary	9	-	-	7,390,200	7,390,200
Property, plant and equipment	10, 11	557,760,924	557,390,743	542,134,222	542,710,496
Intangible assets		12,376,040	13,216,880	11,893,329	12,674,352
Retention receivables	7	96,977,406	54,171,641	96,977,406	54,171,641
Withholding tax deducted at source		35,359,890	132,811,521	30,072,328	114,483,225
Deposits		4,409,770	3,407,309	1,600,239	1,465,369
Deferred tax assets	17	2,705,000	2,631,033	2,394,184	2,387,086
<b>Total non-current assets</b>		<b>717,277,004</b>	<b>773,649,066</b>	<b>700,149,882</b>	<b>745,302,308</b>
<b>Total assets</b>		<b>1,972,523,515</b>	<b>1,675,024,267</b>	<b>2,039,506,158</b>	<b>1,706,781,606</b>

# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts	5, 11	-	7,793	-	7,793
Short-term borrowings from financial institutions	11	373,502,000	509,103,580	373,502,000	509,103,580
Trade and other current payables		377,922,960	265,033,654	437,716,526	283,828,007
Contract liabilities	7	289,856,964	141,083,716	289,856,964	141,083,716
Short-term borrowings from other party	11	20,000,000	20,000,000	20,000,000	20,000,000
Current portion of long-term borrowings					
from financial institutions	11	38,640,000	38,640,000	38,640,000	38,640,000
Current portion of lease liabilities	11	30,988,061	20,394,055	27,478,378	17,986,195
Other current liabilities		44,396,546	25,803,055	41,418,691	22,407,553
<b>Total current liabilities</b>		<b>1,175,306,531</b>	<b>1,020,065,853</b>	<b>1,228,612,559</b>	<b>1,033,056,844</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	11	87,660,000	84,300,000	87,660,000	84,300,000
Lease liabilities	11	29,030,097	26,368,080	24,950,020	21,246,976
Retention payables		11,956,945	8,938,501	47,423,267	45,145,448
Non-current provisions for employee benefits		7,280,734	7,137,960	5,733,165	5,931,830
<b>Total non-current liabilities</b>		<b>135,927,776</b>	<b>126,744,541</b>	<b>165,766,452</b>	<b>156,624,254</b>
<b>Total liabilities</b>		<b>1,311,234,307</b>	<b>1,146,810,394</b>	<b>1,394,379,011</b>	<b>1,189,681,098</b>

# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
<b>Liabilities and equity</b>					
<b>Equity</b>					
Share capital:	12				
Authorised share capital		147,000,000	140,000,000	147,000,000	140,000,000
Issued and paid-up share capital		146,999,876	140,000,000	146,999,876	140,000,000
Share premium on ordinary shares	12	246,105,067	246,105,067	246,105,067	246,105,067
Retained earnings					
Appropriated					
Legal reserve	13	14,700,000	11,952,434	14,700,000	11,952,434
Unappropriated		237,815,712	116,027,794	230,952,204	112,673,007
Other components of equity		8,452,827	8,452,827	6,370,000	6,370,000
<b>Equity attributable to owners of the parent</b>		<b>654,073,482</b>	<b>522,538,122</b>	<b>645,127,147</b>	<b>517,100,508</b>
Non-controlling interests		7,215,726	5,675,751	-	-
<b>Total equity</b>		<b>661,289,208</b>	<b>528,213,873</b>	<b>645,127,147</b>	<b>517,100,508</b>
<b>Total liabilities and equity</b>		<b>1,972,523,515</b>	<b>1,675,024,267</b>	<b>2,039,506,158</b>	<b>1,706,781,606</b>

# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
(in Baht)					
<b>Revenue</b>					
Revenues from construction contracts		2,194,697,104	2,233,064,685	2,194,697,104	2,233,064,685
Costs of construction contracts		(1,898,624,010)	(2,055,143,487)	(1,918,273,193)	(2,075,784,150)
<b>Gross profit</b>		<b>296,073,094</b>	<b>177,921,198</b>	<b>276,423,911</b>	<b>157,280,535</b>
Other income		4,534,737	3,374,154	7,758,624	6,323,483
Administrative expenses		(96,151,384)	(74,622,813)	(87,291,482)	(67,333,255)
<b>Profit from operating activities</b>		<b>204,456,447</b>	<b>106,672,539</b>	<b>196,891,053</b>	<b>96,270,763</b>
Finance costs		(30,167,658)	(27,155,439)	(29,587,598)	(26,489,814)
<b>Profit before income tax expense</b>		<b>174,288,789</b>	<b>79,517,100</b>	<b>167,303,455</b>	<b>69,780,949</b>
Income tax expense	17	(36,235,461)	(15,590,837)	(34,298,823)	(13,719,882)
<b>Profit for the year</b>		<b>138,053,328</b>	<b>63,926,263</b>	<b>133,004,632</b>	<b>56,061,067</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain on remeasurements of defined benefit plans		1,750,408	-	1,750,408	-
Income tax relating to items that will not be reclassified	17	(350,082)	-	(350,082)	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>1,400,326</b>	<b>-</b>	<b>1,400,326</b>	<b>-</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>1,400,326</b>	<b>-</b>	<b>1,400,326</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>139,453,654</b>	<b>63,926,263</b>	<b>134,404,958</b>	<b>56,061,067</b>
<b>Profit attributable to:</b>					
Owners of the parent		136,513,353	61,505,450	133,004,632	56,061,067
Non-controlling interests		1,539,975	2,420,813	-	-
		<b>138,053,328</b>	<b>63,926,263</b>	<b>133,004,632</b>	<b>56,061,067</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		137,913,679	61,505,450	134,404,958	56,061,067
Non-controlling interests		1,539,975	2,420,813	-	-
		<b>139,453,654</b>	<b>63,926,263</b>	<b>134,404,958</b>	<b>56,061,067</b>
Basic earnings per share	18	<b>0.46</b>	<b>0.21</b>	<b>0.45</b>	<b>0.19</b>

# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of changes in equity

	Consolidated financial statements										
	Retained earnings					Other components of equity					
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Un-appropriated	Share-based payment	Changes in parent's ownership interest	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
(in Baht)											
For the year ended 31 December 2020											
Balance at 1 January 2020	140,000,000	246,105,067	9,149,381	87,313,205	6,370,000	2,082,827	8,452,827	491,020,480	3,254,938	494,275,418	
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Dividends to owners of the Company	19	-	-	(29,987,808)	-	-	-	(29,987,808)	-	(29,987,808)	
Total distributions to owners of the parent		-	-	(29,987,808)	-	-	-	(29,987,808)	-	(29,987,808)	
Comprehensive income for the year											
Profit for the year		-	-	61,505,450	-	-	-	61,505,450	2,420,813	63,926,263	
Other comprehensive income		-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year		-	-	61,505,450	-	-	-	61,505,450	2,420,813	63,926,263	
Transfer to legal reserve	13	-	2,803,053	(2,803,053)	-	-	-	-	-	-	
Balance at 31 December 2020		140,000,000	11,952,434	116,027,794	6,370,000	2,082,827	8,452,827	522,538,122	5,675,751	528,213,873	



# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of changes in equity

	Consolidated financial statements										
	Retained earnings			Other components of equity							
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Un-appropriated	Share-based payment	Changes in parent's ownership interest	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity	
	Note										
(in Baht)											
For the year ended 31 December 2021											
Balance at 1 January 2021		140,000,000	246,105,067	11,952,434,366	116,027,793,634	6,370,000	2,082,827	8,452,827	522,538,122	5,675,751	528,213,873
Transactions with owners, recorded directly in equity											
Distributions to owners of the parent											
Stock dividends	19	6,999,876	-	-	(6,999,876)	-	-	-	-	-	-
Dividends to owners of the Company	19	-	-	-	(6,378,319)	-	-	-	(6,378,319)	-	(6,378,319)
Total distributions to owners of the parent		6,999,876	-	-	(13,378,195)	-	-	-	(6,378,319)	-	(6,378,319)
Comprehensive income for the year											
Profit for the year		-	-	-	136,513,353	-	-	-	136,513,353	1,539,975	138,053,328
Other comprehensive income		-	-	-	1,400,326	-	-	-	1,400,326	-	1,400,326
Total comprehensive income for the year		-	-	-	137,913,679	-	-	-	137,913,679	1,539,975	139,453,654
Transfer to legal reserve	13	-	-	2,747,566	(2,747,566)	-	-	-	-	-	-
Balance at 31 December 2021		146,999,876	246,105,067	14,700,000,366	237,815,711,634	6,370,000	2,082,827	8,452,827	654,073,482	7,215,726	661,289,208

# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of changes in equity

	Separate financial statements							Total equity
	Retained earnings			Other components of equity				
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Un-appropriated	Share-based payment	Total other components of equity		
	(in Baht)							
For the year ended 31 December 2020								
Balance at 1 January 2020	140,000,000	246,105,067	9,149,381	89,402,801	6,370,000	6,370,000	491,027,249	
Transactions with owners, recorded directly in equity								
Distributions to owners of the parent								
Dividends to owners of the Company	-	-	-	(29,987,808)	-	-	(29,987,808)	
Total distributions to owners of the parent	-	-	-	(29,987,808)	-	-	(29,987,808)	
Comprehensive income for the year								
Profit for the year	-	-	-	56,061,067	-	-	56,061,067	
Other comprehensive income	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	56,061,067	-	-	56,061,067	
Transfer to legal reserve	-	-	2,803,053	(2,803,053)	-	-	-	
Balance at 31 December 2020	140,000,000	246,105,067	11,952,434	112,673,007	6,370,000	6,370,000	517,100,508	

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## CAZ (Thailand) Public Company Limited and its Subsidiary

### Statement of changes in equity

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

# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2021	2020	2021	2020
	(in Baht)			
<b>Cash flows from operating activities</b>				
Profit for the year	138,053,328	63,926,263	133,004,632	56,061,067
Adjustments to reconcile profit to cash receipts (payments)				
Finance costs	30,167,658	27,155,439	29,587,598	26,489,814
Depreciation and amortisation	71,328,347	61,591,708	64,702,085	55,458,453
Loss on written-off of withholding tax deducted at source	1,146,374	-	94,550	-
Non-current provisions for employee benefits	2,583,526	2,482,222	2,003,775	1,859,390
(Gain) loss on disposal of equipment	(394,723)	758,310	(394,723)	902,111
Interest income	(40,515)	(190,347)	(1,867,850)	(1,684,602)
Income tax expense	36,235,461	15,590,837	34,298,823	13,719,882
	<u>279,079,456</u>	<u>171,314,432</u>	<u>261,428,890</u>	<u>152,806,115</u>
<b>Changes in operating assets and liabilities</b>				
Trade and other current receivables	(119,271,113)	(18,795,434)	(102,559,078)	11,700,308
Contract assets	(104,725,691)	52,602,333	(104,725,691)	52,602,333
Inventories	(6,298,735)	(24,822,982)	(6,224,051)	(25,005,860)
Other current assets	(3,542,452)	5,895,287	(3,146,303)	6,378,207
Retention receivables	(42,805,765)	(43,605,013)	(42,805,765)	(43,605,013)
Deposits	(1,002,461)	(1,300,652)	(134,870)	333,138
Trade and other current payables	113,953,433	(57,615,653)	154,952,646	(149,846,508)
Contract liabilities	148,773,248	(76,164,226)	148,773,248	(76,164,226)
Other current liabilities	18,593,491	4,422,866	19,011,138	6,248,366
Retention payables	3,018,444	639,310	2,277,819	23,050,183
Employee benefits paid	(690,344)	(400,966)	(452,032)	(400,966)
Net cash generated from (used in) operating activities	<u>285,081,511</u>	<u>12,169,302</u>	<u>326,395,951</u>	<u>(41,903,923)</u>
Interest paid	(29,722,277)	(27,106,292)	(29,142,218)	(26,386,161)
Income tax received (paid) - net	59,645,747	(53,467,909)	49,660,344	(48,261,925)
<b>Net cash from (used in) operating activities</b>	<u>315,004,981</u>	<u>(68,404,899)</u>	<u>346,914,077</u>	<u>(116,552,009)</u>

# CAZ (Thailand) Public Company Limited and its Subsidiary

## Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2021	2020	2021	2020
	(in Baht)			
<b>Cash flows from investing activities</b>				
Decrease in restricted deposit at financial institution	2,331,965	22,928,020	2,331,965	22,928,020
Proceeds from short-term loans to a subsidiary	-	-	20,000,000	40,000,000
Short-term loans to a subsidiary	-	-	(60,000,000)	-
Acquisition of property, plant and equipment	(29,372,646)	(56,731,918)	(25,619,413)	(57,140,760)
Acquisition of intangible assets	(1,395,508)	(3,034,114)	(1,395,508)	(2,507,348)
Proceeds from disposal of equipment	2,021,667	1,071,028	2,311,236	370,093
Interest received	40,515	190,347	926,919	4,297,721
<b>Net cash from (used in) investing activities</b>	<b>(26,374,007)</b>	<b>(35,576,637)</b>	<b>(61,444,801)</b>	<b>7,947,726</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term borrowings from financial institutions	941,500,000	1,072,643,421	941,500,000	1,072,643,421
Repayment of short-term borrowings from financial institutions	(1,077,101,580)	(785,787,127)	(1,077,101,580)	(785,787,127)
Repayment of lease liabilities	(29,969,963)	(21,840,509)	(26,560,660)	(19,593,524)
Proceeds from long-term borrowings from financial institutions	42,000,000	-	42,000,000	-
Repayment of long-term borrowings from financial institutions	(38,640,000)	(20,760,000)	(38,640,000)	(20,760,000)
Proceeds from short-term borrowings from related parties	500,000,000	286,284,940	500,000,000	285,784,940
Repayment of short-term borrowings from related parties	(500,000,000)	(288,784,940)	(500,000,000)	(285,784,940)
Proceeds from short-term borrowings from other party	-	20,000,000	-	20,000,000
Dividends paid to owners of the Company	(6,378,319)	(29,987,808)	(6,378,319)	(29,987,808)
<b>Net cash from (used in) financing activities</b>	<b>(168,589,862)</b>	<b>231,767,977</b>	<b>(165,180,559)</b>	<b>236,514,962</b>
<b>Net increase in cash and cash equivalents</b>	<b>120,041,112</b>	<b>127,786,441</b>	<b>120,288,717</b>	<b>127,910,679</b>
Cash and cash equivalents at 1 January	142,410,109	14,623,668	141,339,030	13,428,351
<b>Cash and cash equivalents at 31 December</b>	<b>262,451,221</b>	<b>142,410,109</b>	<b>261,627,747</b>	<b>141,339,030</b>

## CAZ (Thailand) Public Company Limited and its Subsidiary

### Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2021	2020	2021	2020
	(in Baht)			
Cash and cash equivalents at 31 December				
Cash and cash equivalents	262,451,221	142,417,902	261,627,747	141,346,823
Bank overdrafts	-	(7,793)	-	(7,793)
	<u>262,451,221</u>	<u>142,410,109</u>	<u>261,627,747</u>	<u>141,339,030</u>

### Supplement disclosures of cash flows information

#### Non-cash transactions

Acquisitions of property, plant and equipment for which payments have not yet made	1,043,571	-	1,043,571	-
Acquisitions of intangible assets for which payments have not yet made	-	428,000	-	428,000
Acquisitions of right-of-use assets under leases	43,225,987	39,570,198	39,755,887	39,570,198

# CAZ (Thailand) Public Company Limited and its Subsidiary

Note to the Financial statements  
For the year ended 31 December 2021

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Note

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2022.

## 1. General information

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

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

The principal activities of the Group are as follow:

### **EPC service**

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

### **Structure Mechanic and Piping (SMP) services**

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

### **Civil & Building services**

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

### **General Construction services**

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

### **Fabrication and other services**

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

*Details of the Company's subsidiary as at 31 December 2021 and 2020 are given in note 9.*



## 2. Basis of preparation of the financial statements

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

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

## 3. Significant accounting policies

### (a) Basis of consolidation

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

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

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

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

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

### (b) Investments in subsidiary

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

### (c) Foreign currencies

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

## (d) Financial instruments

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### (d.1) Classification and measurement

Other financial assets and financial liabilities (except trade receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

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

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

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

### (d.2) Derecognition and offset

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

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

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

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

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

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

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

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

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

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

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

**(d.4) Write offs**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

**(d.5) Interest**

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

**(e) Cash and cash equivalents**

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

**(f) Trade and other receivables**

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

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

**(g) Inventories**

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

**(h) Property, plant and equipment**

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

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

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

**Subsequent costs**

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

**The estimated useful lives are as follows:**

Building and building improvements	20 years
Assets for construction project	Term of the contract period
Machinery, tool and equipment	5 years
Furniture and fixtures	5 years
Office equipment	3, 5 years
Vehicles	5 years
Vehicles for construction projects	5 years

**Depreciation**

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

**(i) Intangible assets**

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

The estimated useful lives are as follows:

Computer software	10 years
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**(j) Leases**

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

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

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

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

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

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

**(k) Impairment of non-financial assets**

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

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

## (l) Employee benefits

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### Defined contribution plan

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

### Defined benefit plans

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

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

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

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

## (m) Provisions

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

### Warranties

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

### Onerous contracts

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

## (n) Fair value measurement

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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



quoted prices in active markets for identical assets or liabilities.



inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.



inputs for the asset or liability that are based on unobservable input.

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

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

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

## (o) Share capital

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

## (p) Revenue from contracts with customers

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### (1) Revenue recognition

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

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

### (2) Contract balances

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

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

## **(q) Income tax**

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

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

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

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

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

## **(r) Earnings per share**

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

## **(s) Related parties**

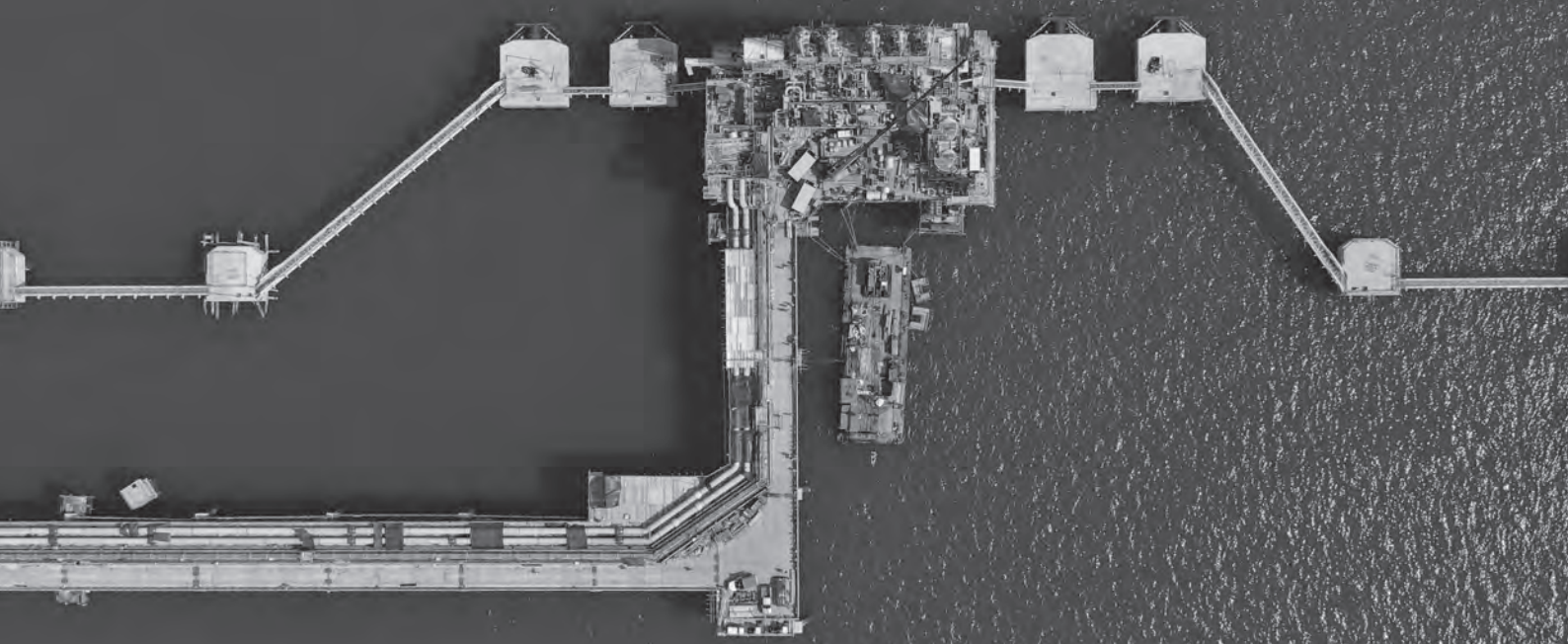
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A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence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

## **(t) Segment reporting**

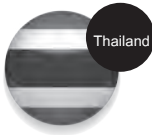


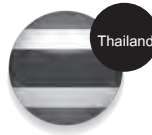
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Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.



## 4. Related parties

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

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

Relationship with subsidiary is described in note 9.

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

Transactions	Pricing policies
Revenues from construction contracts	Contractual price
Rental income	Contractual price
Service income	Agreed prices
Dividend income	Declared dividend payment
Other income	Agreed price
Costs of construction contracts	Contractual price
Interest income and interest expense	Interest rates determined in intercompany loan agreements



Significant transactions with related parties	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Year ended 31 December				
<b>Ultimate parent</b>				
Revenues from construction contracts	-	12,974	-	12,974
Costs of construction contracts	-	266	-	266
<b>Parent</b>				
Interest expense	6,068	5,658	6,068	5,658
<b>Subsidiary</b>				
Rental income	-	-	800	1,486
Service income	-	-	167	306
Interest income	-	-	1,827	1,494
Other income	-	-	-	54
Costs of construction contracts	-	-	311,214	363,288
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits (including director remuneration)	22,129	16,534	18,727	13,790
Post-employment benefits	566	605	566	605
<b>Total key management personnel compensation</b>	<b>22,695</b>	<b>17,139</b>	<b>19,293</b>	<b>14,395</b>
<b>Other related parties</b>				
Rental income	144	144	144	144
Service income	65	81	65	81
Costs of construction contracts	19,068	21,988	19,068	21,988
Interest expense	-	113	-	69

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
<b>Other current receivables</b>				
Subsidiary	-	-	2,621	965
Other related parties	36	43	36	43
<b>Total</b>	<b>36</b>	<b>43</b>	<b>2,657</b>	<b>1,008</b>
<b>Advance payments to subcontractor (included in other current receivables)</b>				
Subsidiary	-	-	47,378	62,088

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
<b>Trade payables</b>				
Subsidiary	-	-	12,070	24,657
Other related parties	6,994	15,229	6,994	15,229
<b>Total</b>	<b>6,994</b>	<b>15,229</b>	<b>19,064</b>	<b>39,886</b>
<b>Accrued expenses (included in other current payables)</b>				
Subsidiary	-	-	91,099	25,806
Other related parties	5,952	7,847	5,952	7,847
<b>Total</b>	<b>5,952</b>	<b>7,847</b>	<b>97,051</b>	<b>33,653</b>
<b>Retention payables</b>				
Subsidiary	-	-	35,466	36,262
Other related parties	-	2	-	2
<b>Total</b>	<b>-</b>	<b>2</b>	<b>35,466</b>	<b>36,264</b>

Interest rate	Separate financial statements			
	At 31 December	1 January	Increase	Decrease
(% per annum)	(in thousand Baht)			
<b>Loans to</b>				
<b>2021</b>				
Subsidiary	5.30	-	60,000	(20,000)
				40,000

Interest rate	Consolidated / Separate financial statements			
	At 31 December	1 January	Increase	Decrease
(% per annum)	(in thousand Baht)			
<b>Loans from</b>				
<b>2021</b>				
Parent	5.00	-	500,000	(500,000)
				-

## 5. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Cash on hand	540	540	160	235
Cash at banks - current accounts	261,776	141,670	261,336	140,907
Cash at banks - savings accounts	132	205	129	202
Highly liquid short-term investments	3	3	3	3
<b>Cash and cash equivalents in the statement of financial position</b>	<b>262,451</b>	<b>142,418</b>	<b>261,628</b>	<b>141,347</b>
Bank overdrafts used for cash management purposes	-	(8)	-	(8)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>262,451</b>	<b>142,410</b>	<b>261,628</b>	<b>141,339</b>

The effective interest rate on short-term bank deposits was 0.10% to 0.75% per annum (2020: 0.15% to 0.70% per annum).

## 6. Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
(in thousand Baht)					
<b>Trade receivables</b>					
Other parties		297,797	190,951	297,797	190,951
Total		<u>297,797</u>	<u>190,951</u>	<u>297,797</u>	<u>190,951</u>
Less allowance for expected credit losses		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net		<u>297,797</u>	<u>190,951</u>	<u>297,797</u>	<u>190,951</u>
<b>Other current receivables</b>					
Subsidiary	4	-	-	2,621	965
Other related parties	4	36	43	36	43
Other parties		58	86	58	85
Prepaid expenses		13,504	11,241	11,783	11,168
Advance payments to subcontractor related party	4	-	-	47,378	62,088
Advance payments to subcontractors		<u>12,750</u>	<u>2,553</u>	<u>11,531</u>	<u>2,404</u>
Total		<u>26,348</u>	<u>13,923</u>	<u>73,407</u>	<u>76,753</u>
<b>Total trade and other current receivables</b>		<u><b>324,145</b></u>	<u><b>204,874</b></u>	<u><b>371,204</b></u>	<u><b>267,704</b></u>

Information of credit risk is disclosed in note 20 (b.1).

As at 31 December 2021, the Company had no pledged of trade receivables as collateral for short-term borrowings from financial institution (2020: Baht 101.93 million).

## 7. Contract assets and contract liabilities

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
<b>Contract assets</b>				
Total project value	6,950,110	7,259,640	6,950,110	7,259,640
Accumulated amount recognised as revenue on percentage of completion basis	3,992,067	3,951,718	3,992,067	3,951,718
Less value of total billed	<u>(3,375,060)</u>	<u>(3,439,437)</u>	<u>(3,375,060)</u>	<u>(3,439,437)</u>
<b>Total contract assets</b>	<b><u>617,007</u></b>	<b><u>512,281</u></b>	<b><u>617,007</u></b>	<b><u>512,281</u></b>
Retention receivables	<u>96,977</u>	<u>54,172</u>	<u>96,977</u>	<u>54,172</u>
<b>Contract liabilities</b>				
Total project value	2,165,829	923,526	2,165,829	923,526
Value of total billed	1,277,698	446,629	1,277,698	446,629
Less Accumulated amount recognised as revenue on percentage of completion basis	<u>(1,136,503)</u>	<u>(414,991)</u>	<u>(1,136,503)</u>	<u>(414,991)</u>
	<u>141,195</u>	<u>31,638</u>	<u>141,195</u>	<u>31,638</u>
Advance received from construction contracts	<u>148,662</u>	<u>109,446</u>	<u>148,662</u>	<u>109,446</u>
<b>Total contract liabilities</b>	<b><u>289,857</u></b>	<b><u>141,084</u></b>	<b><u>289,857</u></b>	<b><u>141,084</u></b>

### *Revenue recognition from contract balance*

During the year 2021, the Group and the Company recognised contract liabilities balance at the beginning of the year as revenue from construction contract of Baht 92.43 million (2020: Baht 130.73 million).

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

As at 31 December 2021, the Group has revenue to be recognised in the future related to performance obligations that are unsatisfied amounting to Baht 3,989 million (2020: Baht 3,816 million) which expected to be recognised in 2022-2023 (2020: 2021-2023).

## 8. Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Raw materials	40,840	34,542	40,695	34,471

## 9. Investment in a subsidiary

		Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Subsidiary	Type of business	(%)		(in thousand Baht)									
JKEC Co., Ltd.	Construction services	73.17	73.17	10,100	10,100	7,390	7,390	-	-	7,390	7,390	-	-
<b>Total</b>						<b>7,390</b>	<b>7,390</b>	<b>-</b>	<b>-</b>	<b>7,390</b>	<b>7,390</b>	<b>-</b>	<b>-</b>

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

## 10. Property, plant and equipment

### Consolidated financial statements

	Land and right-of-use on land	Building and building improvements	Assets for construction project	Machinery, tools and equipment	Furniture and fixtures	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
	(in thousand Baht)									
<b>Cost</b>										
At 1 January 2020	260,322	106,636	3,252	208,966	2,196	9,526	15,378	22,076	12,163	640,515
Additions	2,840	-	-	29,036	379	2,288	4,357	-	52,416	91,316
Transfers	-	30,245	-	21,908	406	8,477	-	-	(61,036)	-
Disposals	-	(609)	(3,252)	(897)	-	-	(713)	(1,100)	-	(6,571)
At 31 December 2020										
and 1 January 2021	263,162	136,272	-	259,013	2,981	20,291	19,022	20,976	3,543	725,260
Additions	-	-	-	57,366	3,351	1,221	588	4,098	5,534	72,158
Transfers	-	3,815	-	5,227	-	15	-	-	(9,057)	-
Disposals	-	-	-	(15,129)	(47)	(625)	(237)	-	-	(16,038)
At 31 December 2021	263,162	140,087	-	306,477	6,285	20,902	19,373	25,074	20	781,380
<b>Accumulated depreciation</b>										
At 1 January 2020	-	13,212	2,699	77,995	1,222	4,788	7,933	4,699	-	112,548
Depreciation charge for the year	1,113	6,110	553	42,400	429	3,236	2,154	4,068	-	60,063
Disposals	-	(31)	(3,252)	(172)	-	-	(697)	(590)	-	(4,742)
At 31 December 2020										
and 1 January 2021	1,113	19,291	-	120,223	1,651	8,024	9,390	8,177	-	167,869
Depreciation charge for the year	1,420	7,065	-	48,850	800	4,001	2,784	5,515	-	70,435
Disposals	-	(20)	-	(13,799)	(16)	(457)	(224)	(169)	-	(14,685)
At 31 December 2021	2,533	26,336	-	155,274	2,435	11,568	11,950	13,523	-	223,619

## CAZ (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements. For the year ended 31 December 2021

## Consolidated financial statements

	Land and right-of-use on land	Building and building improvements	Assets for construction project	Machinery, tools and equipment	Furniture and fixtures	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
(in thousand Baht)										
<b>Net book value</b>										
<b>At 31 December 2020</b>										
Owned assets	260,322	116,981	-	99,459	1,330	12,267	152	4,486	3,543	498,540
Right-of-use assets	1,727	-	-	39,331	-	-	9,480	8,313	-	58,851
	<u>262,049</u>	<u>116,981</u>	<u>-</u>	<u>138,790</u>	<u>1,330</u>	<u>12,267</u>	<u>9,632</u>	<u>12,799</u>	<u>3,543</u>	<u>557,391</u>
<b>At 31 December 2021</b>										
Owned assets	259,208	113,751	-	87,724	3,850	9,334	142	2,531	20	476,560
Right-of-use assets	1,421	-	-	63,479	-	-	7,281	9,020	-	81,201
	<u>260,629</u>	<u>113,751</u>	<u>-</u>	<u>151,203</u>	<u>3,850</u>	<u>9,334</u>	<u>7,423</u>	<u>11,551</u>	<u>20</u>	<u>557,761</u>

## Separate financial statements

	Land and right-of-use on land	Building and building improvements	Building and building improvements	Machinery, tools and equipment	Furniture and fixtures	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
(in thousand Baht)										
<b>Cost</b>										
<b>At 1 January 2020</b>										
Additions	260,322	106,886	2,196	203,478	2,196	8,578	13,740	1,937	12,691	609,828
Transfers	2,840	-	378	28,238	378	1,767	4,357	-	54,144	91,724
Disposals	-	32,450	406	21,908	406	8,477	-	-	(63,241)	-
	<u>-</u>	<u>(609)</u>	<u>-</u>	<u>(745)</u>	<u>-</u>	<u>-</u>	<u>(713)</u>	<u>-</u>	<u>-</u>	<u>(2,067)</u>
<b>At 31 December 2020 and 1 January 2021</b>	<u>263,162</u>	<u>138,727</u>	<u>2,980</u>	<u>252,879</u>	<u>2,980</u>	<u>18,822</u>	<u>17,384</u>	<u>1,937</u>	<u>3,594</u>	<u>699,485</u>
Additions	-	-	3,352	54,498	3,352	910	-	-	5,535	64,295
Transfers	-	3,815	-	5,227	-	15	-	-	(9,057)	-
Disposals	-	-	(47)	(15,418)	(47)	(625)	(237)	-	-	(16,327)
	<u>263,162</u>	<u>142,542</u>	<u>6,285</u>	<u>297,186</u>	<u>6,285</u>	<u>19,122</u>	<u>17,147</u>	<u>1,937</u>	<u>72</u>	<u>747,453</u>



## CAZ (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements. For the year ended 31 December 2021

### Separate financial statements

	Land and right-of-use on land	Building and building improvements	Machinery, tools and equipment	Furniture and fixtures	Office equipment	Vehicles	Vehicles for construction projects	Assets under construction	Total
									(in thousand Baht)
<b>Accumulated depreciation</b>									
At 1 January 2020	-	13,220	76,360	1,222	4,365	7,436	1,004	-	103,607
Depreciation charge for the year	1,113	6,124	41,185	429	2,899	1,826	387	-	53,963
Disposals	-	(30)	(67)	-	-	(698)	-	-	(795)
At 31 December 2020 and 1 January 2021	1,113	19,314	117,478	1,651	7,264	8,564	1,391	-	156,775
Depreciation charge for the year	1,420	7,065	47,333	800	3,646	2,389	301	-	62,954
Disposals	-	-	(13,713)	(16)	(457)	(224)	-	-	(14,410)
At 31 December 2021	2,533	26,379	151,098	2,435	10,453	10,729	1,692	-	205,319
<b>Net book value</b>									
At 31 December 2020	260,322	119,413	96,070	1,329	11,558	152	546	3,594	492,984
Owned assets	1,727	-	39,331	-	-	8,668	-	-	49,726
Right-of-use assets	262,049	119,413	135,401	1,329	11,558	8,820	546	3,594	542,710
At 31 December 2021	259,208	116,163	82,609	3,850	8,669	141	245	72	470,957
Owned assets	1,421	-	63,479	-	-	6,277	-	-	71,177
Right-of-use assets	260,629	116,163	146,088	3,850	8,669	6,418	245	72	542,134

The gross amount of the Group and the Company's fully depreciated of machinery, tools and equipment and office equipment that were still in use as at 31 December 2021 amounted to Baht 67.08 million and Baht 66.57 million, respectively (2020: Baht 34.09 million and Baht 33.90 million, respectively).

During the year 2021, the Group and the Company leased land, machinery, tools and equipment and vehicle for 3-4 years and made fixed payments during the lease term. The Group and the Company recognised right-of-use assets amounting to Baht 43.23 million and Baht 39.76 million, respectively (2020: Baht 39.57 million and Baht 39.57 million, respectively).

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
<b>Amounts recognised in profit or loss</b>				
Depreciation of right-of-use assets:				
• Land and right-of-use asset on land	1,420	1,113	1,420	1,113
• Machines, tools and equipment	11,336	6,045	11,336	6,045
• Vehicles	2,589	2,045	2,193	1,717
• Vehicles for construction projects	2,564	2,122	-	-
Interest on lease liabilities	2,428	2,114	1,848	1,491
Expenses relating to short-term leases	207,382	105,778	164,951	80,861
Expenses relating to leases of low-value assets	666	5,130	294	294

In 2021, total cash outflow for the leases of the Group and the Company were Baht 238 million and Baht 192 million, respectively (2020: Baht 132 million and Baht 101 million, respectively).

## 11. Interest-bearing liabilities

Consolidated financial statements							
2021				2020			
Note	Secured	Unsecured	Total	Secured	Unsecured	Total	
(in thousand Baht)							
Bank overdrafts	5	-	-	-	8	-	8
<b>Short-term loans from financial institutions</b>							
• Promissory notes	373,502	-	373,502	499,345	9,759	509,104	
Short-term loans from other party	20,000	-	20,000	20,000	-	20,000	
Long-term loans from financial institutions	126,300	-	126,300	122,940	-	122,940	
Lease liabilities	60,018	-	60,018	45,319	1,443	46,762	
<b>Total interest-bearing liabilities</b>	<b>579,820</b>	<b>-</b>	<b>579,820</b>	<b>687,612</b>	<b>11,202</b>	<b>698,814</b>	
Separate financial statements							
2021				2020			
Note	Secured	Unsecured	Total	Secured	Unsecured	Total	
(in thousand Baht)							
Bank overdrafts	5	-	-	-	8	-	8
<b>Short-term loans from financial institutions</b>							
• Promissory notes	373,502	-	373,502	499,345	9,759	509,104	
Short-term loans from other party	20,000	-	20,000	20,000	-	20,000	
Long-term loans from financial institutions	126,300	-	126,300	122,940	-	122,940	
Lease liabilities	52,428	-	52,428	37,790	1,443	39,233	
<b>Total interest-bearing liabilities</b>	<b>572,230</b>	<b>-</b>	<b>572,230</b>	<b>680,083</b>	<b>11,202</b>	<b>691,285</b>	

Assets pledged as security for liabilities	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
(in thousand Baht)				
Deposit at financial institution	7,688	7,650	7,688	7,650
Property, plant and equipment	456,078	307,570	446,053	298,450
<b>Total</b>	<b>463,766</b>	<b>315,220</b>	<b>453,741</b>	<b>306,100</b>

As at 31 December 2021, the Group and the Company had unutilised credit facilities totalling Baht 937 million (2020: Baht 645 million).

### Borrowings from financial institutions

On 1 December 2021 and 28 December 2020, the Company received waiver letter from a financial institution to waive the term of maintaining the Debt Service Coverage ratio to be not less than 1.2:1 and Debt to Equity ratio to be not exceeding 2:1 of the financial statements for the year ended 31 December 2021 and 2020, respectively.

In April 2020, the Company amended its credit facility agreement with a financial institution by having the grace period of principal loan repayment for 6 months from April to September 2020. The final repayment date of long-term borrowings from financial institution will be due within February 2024 which is replaced the formal one in September 2023.

## 12. Share capital

	Par value per share (in Baht)	2021		2020	
		Number	Amount	Number	Amount
		(thousand shares / in thousand Baht)			
<b>Authorised</b>					
<b>At 1 January</b>					
• ordinary shares	0.5	280,000	140,000	280,000	140,000
Issue of new shares	0.5	<u>14,000</u>	<u>7,000</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2021 and 31 December 2020</b>					
• ordinary shares	0.5	<u>294,000</u>	<u>147,000</u>	<u>280,000</u>	<u>140,000</u>
<b>Issued and paid-up</b>					
<b>At 1 January</b>					
• ordinary shares	0.5	280,000	140,000	280,000	140,000
Issue of new shares	0.5	<u>14,000</u>	<u>7,000</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2021 and 31 December 2020</b>					
• ordinary shares	0.5	<u>294,000</u>	<u>147,000</u>	<u>280,000</u>	<u>140,000</u>

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

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

### Share premium

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

## 13. Legal reserve

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

## 14. Segment information and disaggregation of revenue

### Geographical segments

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

### Business segments

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

### Timing of revenue recognition

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

### Major customers

Revenues from three customers of the Group’s segment represents approximately Baht 2,147.98 million in 2021 of the Group’s total revenues. (2020: Baht 1,739.92 million)

## 15. Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Salary, bonus and wages	692,752	1,024,716	528,436	804,757
Defined benefit plan	2,584	2,482	2,004	1,859
Defined contribution plan	1,481	1,221	1,182	1,046
Termination benefits	17,496	38,136	17,201	38,099
<b>Total</b>	<b>714,313</b>	<b>1,066,555</b>	<b>548,823</b>	<b>845,761</b>

### Defined contribution plan

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

## 16. Expenses by nature

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		(in thousand Baht)			
Raw material used		529,812	465,774	509,018	434,064
Subcontractor costs		319,559	234,186	608,743	575,046
Depreciation and amortisation		71,328	61,592	64,702	55,458
Employee benefit expenses	15	714,313	1,066,555	548,823	845,761
Lease-related expenses		208,048	110,908	165,245	81,155

## 17. Income tax expense

Income tax recognised in profit or loss	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Current tax expense				
Current year	36,660	17,137	34,656	15,142
Deferred tax expense				
Movements in temporary differences	(424)	(1,546)	(357)	(1,422)
Income tax expense	<u>36,236</u>	<u>15,591</u>	<u>34,299</u>	<u>13,720</u>

Income tax	Consolidated / Separate financial statements					
	2021			2020		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
	(in thousand Baht)					
Recognised in other comprehensive income						
Defined benefit plan actuarial gains	1,750	(350)	1,400	-	-	-
Total	<u>1,750</u>	<u>(350)</u>	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate	Consolidated financial statements				Separate financial statements			
	2021		2020		2021		2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>174,289</u>		<u>79,517</u>		<u>167,303</u>		<u>69,781</u>
Income tax using the Thai corporation tax rate	20.00	34,858	20.00	15,903	20.00	33,461	20.00	13,956
Expenses not deductible for tax purposes		672		1,958		316		1,889
Additional deductible expenses		(188)		-		(170)		-
Recognition of previously unrecognised tax losses		-		(377)		-		-
Unrealised gains from intercompany transactions		207		232		-		-
Others		687		(2,125)		692		(2,125)
Total	<u>20.79</u>	<u>36,236</u>	<u>19.61</u>	<u>15,591</u>	<u>20.50</u>	<u>34,299</u>	<u>19.66</u>	<u>13,720</u>

Deferred tax	Consolidated financial statements			
	(Charged) / Credited to			At 31 December
	At 1 January	Profit or loss	Other compre- hensive income	
(in thousand Baht)				
<b>2021</b>				
<b>Deferred tax assets</b>				
Right-of-use assets	33	2	-	35
Provision for warranties of construction work	436	387	-	823
Provision for litigation	735	6	-	741
Non-current provisions for employee benefits	1,427	29	(350)	1,106
<b>Total</b>	<b>2,631</b>	<b>424</b>	<b>(350)</b>	<b>2,705</b>
<b>2020</b>				
<b>Deferred tax assets</b>				
Right-of-use assets	73	(40)	-	33
Provision for warranties of construction work	-	436	-	436
Provision for litigation	-	735	-	735
Non-current provisions for employee benefits	1,012	415	-	1,427
<b>Total</b>	<b>1,085</b>	<b>1,546</b>	<b>-</b>	<b>2,631</b>

Deferred tax	Separate financial statements			
	(Charged) / Credited to			At 31 December
	At 1 January	Profit or loss	Other compre- hensive income	
(in thousand Baht)				
<b>2021</b>				
<b>Deferred tax assets</b>				
Right-of-use assets	30	4	-	34
Provision for warranties of construction work	436	387	-	823
Provision for litigation	735	6	-	741
Non-current provisions for employee benefits	1,186	(40)	(350)	796
<b>Total</b>	<b>2,387</b>	<b>357</b>	<b>(350)</b>	<b>2,394</b>
<b>2020</b>				
<b>Deferred tax assets</b>				
Right-of-use assets	70	(40)	-	30
Provision for warranties of construction work	-	436	-	436
Provision for litigation	-	735	-	735
Non-current provisions for employee benefits	895	291	-	1,186
<b>Total</b>	<b>965</b>	<b>1,422</b>	<b>-</b>	<b>2,387</b>



## 18. Basic earnings per share

The calculations of basic earnings per share were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year after adjusting the change in the number of ordinary shares as a result of the distribution of stock dividends to the shareholders (see notes 12, 19) as if such change had occurred at the beginning of the earliest reporting period as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>For the year ended 31 December</b>				
	(in thousand Baht / thousand shares)			
Profit attributable to ordinary shareholders of the Company (basic)	136,513	61,505	133,005	56,061
Number of ordinary shares outstanding (basic)	294,000	294,000	294,000	294,000
Earnings per share (basic) (in Baht)	0.46	0.21	0.45	0.19

## 19. Dividends

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

	Approval date	Payment schedule	Dividend rate per share	Amount
			(in Baht)	(in million Baht)
<b>2021</b>				
2020 Annual dividend				
• Stock dividends	23 April 2021	21 May 2021	0.03	7.00
• Cash dividends	23 April 2021	21 May 2021	0.02	6.38
<b>2020</b>				
Interim dividend paid from the profit of 2019	6 April 2020	5 May 2020	0.11	30

## 20. Financial instruments

### (a) Carrying amounts and fair values

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

	Consolidated / Separate financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
(in thousand Baht)					
At 31 December 2021					
Long-term borrowings from financial institutions	126,300	-	-	125,846	125,846
At 31 December 2020					
Long-term borrowings from financial institutions	122,940	-	-	123,635	123,635

#### Valuation technique of financial instruments measured at fair value

Type	Valuation technique
Long-term borrowings from financial institutions	Discounted cash flows: The fair value is estimated considering a net present value of future cash flows calculated using discount rates at the market rate of loans.

### (b) Financial risk management policies

#### Risk management framework

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

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

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

**(b.1) Credit risk**

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

**(b.1.1) Trade receivables and contract assets**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 14.

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

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days or 45 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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

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

At 31 December	Consolidated / Separate financial statements							
	2021				2020			
	Trade receivables	Contract assets	Total carrying amounts	Allowance for expected credit loss	Trade receivables	Contract assets	Total carrying amounts	Allowance for expected credit loss
	(in thousand Baht)							
Within credit terms	284,690	617,007	901,697	-	174,467	512,281	686,748	-
Overdue:								
• Less than 3 months	13,107	-	13,107	-	13,744	-	13,744	-
• 3 - 6 months	-	-	-	-	2,740	-	2,740	-
<b>Total</b>	<b>297,797</b>	<b>617,007</b>	<b>914,804</b>	<b>-</b>	<b>190,951</b>	<b>512,281</b>	<b>703,232</b>	<b>-</b>
Less allowance for expected credit loss	-	-	-	-	-	-	-	-
<b>Net</b>	<b>297,797</b>	<b>617,007</b>	<b>914,804</b>	<b>-</b>	<b>190,951</b>	<b>512,281</b>	<b>703,232</b>	<b>-</b>

**(b.1.2) Cash and cash equivalents**

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

**(b.2) Liquidity risk**

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

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

At 31 December	Consolidated financial statements					
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
	(in thousand Baht)					
<b>2021</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other current payables	377,923	377,923	-	-	-	377,923
Short-term loans from other party	20,000	20,234	-	-	-	20,234
Loans from financial institutions	499,802	417,813	89,320	-	-	507,133
Lease liabilities	60,018	32,717	20,581	9,138	-	62,436
<b>Total</b>	<b>957,743</b>	<b>848,687</b>	<b>109,901</b>	<b>9,138</b>	<b>-</b>	<b>967,726</b>

## 2020

### Non-derivative financial liabilities

Bank overdrafts	8	8	-	-	-	8
Trade and other current payables	265,034	265,034	-	-	-	265,034
Short-term loans from other party	20,000	20,284	-	-	-	20,284
Loans from financial institutions	632,044	555,577	41,752	47,081	-	644,410
Lease liabilities	46,762	21,958	20,490	7,817	-	50,265
<b>Total</b>	<b>963,848</b>	<b>862,861</b>	<b>62,242</b>	<b>54,898</b>	<b>-</b>	<b>980,001</b>

## Separate financial statements

At 31 December	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
		(in thousand Baht)				
<b>2021</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other current payables	437,717	437,717	-	-	-	437,717
Short-term loans from other party	20,000	20,234	-	-	-	20,234
Loans from financial institutions	499,802	417,813	89,320	-	-	507,133
Lease liabilities	52,428	29,046	17,023	8,718	-	54,787
<b>Total</b>	<b>1,009,947</b>	<b>904,810</b>	<b>106,343</b>	<b>8,718</b>	<b>-</b>	<b>1,019,871</b>

At 31 December	Separate financial statements					Total
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
	(in thousand Baht)					
<b>2020</b>						
<b>Non-derivative financial liabilities</b>						
Bank overdrafts	8	8	-	-	-	8
Trade and other current payables	283,828	283,828	-	-	-	283,828
Short-term loans from other party	20,000	20,284	-	-	-	20,284
Loans from financial institutions	632,044	555,577	41,752	47,081	-	644,410
Lease liabilities	39,233	18,815	17,385	5,016	-	41,216
<b>Total</b>	<b>975,113</b>	<b>878,512</b>	<b>59,137</b>	<b>52,097</b>	<b>-</b>	<b>989,746</b>

**(b.3) Market risk**

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

**(b.3.1) Foreign currency risk**

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

**(b.3.2) Interest rate risk**

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

Exposure to interest rate risk	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>At 31 December</b>	(in thousand Baht)			
<b>Financial instruments with fixed interest rates</b>				
Financial assets	-	-	40,000	-
Financial liabilities	497,600	579,394	490,010	571,865
<b>Financial instruments with variable interest rates</b>				
Financial liabilities	82,220	119,420	82,220	119,420

**Fair value sensitivity analysis for fixed-rate instruments**

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

**Cash flow sensitivity analysis for variable-rate instruments**

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

	Consolidated / Separate financial statements			
	2021		2020	
<b>Impact to profit or loss</b>	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
	(in thousand Baht)			
Financial instruments with variable interest rate	(939)	939	(1,035)	1,035

## 21. Capital management

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

## 22. Commitments with non-related parties

	Consolidated / Separate financial statements	
	2021	2020
	(in thousand Baht)	
<b>Other commitments</b>		
Purchase orders for construction materials	1,362	9,556
Bank guarantees	1,153,056	1,175,918
<b>Total</b>	<b>1,154,418</b>	<b>1,185,474</b>

## 23. Contingent liabilities

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

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

Currently, the Company is in the process of the execution the judgement to against the plaintiff to comply with the Appeal Court’s judgement. Meanwhile, the plaintiff applied for extend the period of petition and the Supreme Court has permitted the extension period for filling a petition until 28 February 2022. Therefore, the Company remained the provision followed by the Court of the First Instance’s judgement.

## 24. Event after the reporting period

The Board of Director’s meeting held on 25 February 2022, the Board approved the dividend payment from the operating results for the year ended 31 December 2021 at the rate of Baht 0.16 per share, amounting to Baht 47.04 million. The dividend will be presented to the annual general meeting of the shareholders of the Company held in April 2022.



# Section 4

## Certification of the correctness of the information

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

- (1) The financial statements and all financial information which form part of this annual report have been truly, accurately, and completely disclosed and contain all material facts concerning the financial status, business operation and the cash flows of the company and its subsidiary.
- (2) The company provided good information disclosure system to ensure that the company disclosed information that contain all material facts of the company and its subsidiary truly, accurately and completely including overseeing the practices in accordance with the mentioned system.
- (3) The company provided good internal control and controlled the practices in accordance with the mentioned system. The company informed the information related to internal control system evaluation as at 25 February 2022 to the auditor and the company audit committee which cover defects and significant changes in the internal control system including malfeasance that may have an effect on the preparation of the company financial statements and its subsidiary financial statements.

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

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



Name	Position	ลายมือชื่อ
Ms. Nita Treeweeranuwat	Director	





# Enclosure

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# Enclosure 1

## Detail on Directors, Executives, Controlling Interest, and Company Secretary

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations between Directors and Executives	Experience			
						Period	Position	Division / Company	Business Type
1.	Mr. Narongrit Tavornvisitporn <ul style="list-style-type: none"> <li>Chairman of the Board of Directors</li> <li>Audit Committee Member</li> <li>Independent Director</li> <li>Nomination and Remuneration Committee Member</li> </ul>	70	<ul style="list-style-type: none"> <li>Bachelor's Degree from the Faculty of Engineering in Electrical Engineering (2nd class honors), Chulalongkorn University</li> <li>Executive Master of Business Administration (MBA), Thammasat University</li> <li>Post Graduate Diploma in Electrical Power Generation and Distribution System, The Norwegian Institute of Technology, University of Trondheim, Norway</li> <li>General Member of the Council of Engineers in Electrical Engineering (Sor.For.Gor. 1489)</li> <li>Director Certification Program (DCP) Batch of 166/2012</li> <li>National Director Conference 2019</li> </ul>	-None-	-	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Chairman of the Board of Directors</li> <li>Audit Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>2018 - Present</li> <li>2018 - Present</li> <li>2017 - Present</li> </ul>	<ul style="list-style-type: none"> <li>STC Concrete Product Public Company Limited</li> <li>Successmore Being Public Company Limited</li> <li>CAZ (Thailand) Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Pre-cast products and ready-mixed concrete</li> <li>Consumer products in form of a direct sales network</li> <li>Construction and Engineering services providers</li> </ul>



No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations between Directors and Executives	Period	Position	Division / Company	Business Type
			<ul style="list-style-type: none"> <li>Strategic Administrator for the Prevention and Suppression of Corruption, Higher Level Batch of 7</li> <li>Course Top Management in Industrial Business Development and Investment Batch of 6, Institute of Business and Industrial Development</li> <li>Course Top Management for Nation-Building Batch of 9 in Nation-Building Institute</li> <li>Director Certification Program (DCP) Batch of 168/2020</li> </ul>		Family relations between Directors and Executives	2007 - 2013	<ul style="list-style-type: none"> <li>Director, office of petroleum and petrochemical policy, energy policy and planning division ministry of energy</li> <li>Specialist in energy strategy planning</li> <li>Director of the office of policy and strategy, office of the permanent secretary</li> </ul>	Ministry of Energy	Government agency
						2009 - 2011	<ul style="list-style-type: none"> <li>Deputy Director of Energy Policy and Planning Office, Ministry of Energy</li> <li>Director of Public Communications and Public Acceptance Nuclear Power Plant Project Development Office</li> <li>Spokesperson for the Ministry of Energy</li> </ul>	Ministry of Energy	Government agency

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations be- tween Directors and Executives	Period	Position	Division / Company	Business Type	Experience
3.	Mr. Yingyong Techarungnirun • Audit Committee Member • Independent Director	41	<ul style="list-style-type: none"> <li>Bachelor's Degree from the Faculty of Commerce and Accountancy in Accounting, Thammasat University</li> <li>Master of Business Administration (MBA), University of Connecticut, USA</li> <li>Certified Public Accountant (CPA)</li> <li>Director Accreditation Program (DAP) Batch of 145/2018</li> <li>National Director Conference 2019</li> </ul>	-None-	-	2017- Present	<ul style="list-style-type: none"> <li>Audit Committee Member</li> <li>Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction and Engineering services providers</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>
						2017 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Kiang Kao Klang Mai Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Wholesale and Retail sales of used goods</li> </ul>	
						2011- Present	<ul style="list-style-type: none"> <li>General Manager</li> </ul>	<ul style="list-style-type: none"> <li>Thaibrass Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Brass wholesale</li> </ul>	
4.	Mr. Chung Sik Hong • Director (Authorized Director) • Chairman of the Executive Committee • Chief Executive Officer • Chairman of the Risk Management Committee	63	<ul style="list-style-type: none"> <li>Bachelor's Degree from the Faculty of Engineering in Mechanical Engineering, Ajou University, Korea</li> <li>Director Accreditation Program (DAP) Batch of 146/2018</li> </ul>	10.20%	-	2014 - Present	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of the Executive Committee</li> <li>Chief Executive Officer</li> <li>Chairman of the Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction and Engineering services providers</li> </ul>	
						2017 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>JKEC Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Civil construction services</li> </ul>	
						2004 - 2013	<ul style="list-style-type: none"> <li>Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>Thai Woo Ree Engineering Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction services</li> </ul>	

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations be- tween Directors and Executives	Period	Position	Division / Company	Business Type
						1987 – 2004	<ul style="list-style-type: none"> <li>Piping Engineering Team Leader</li> <li>Construction Manager</li> <li>Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>SK Engineering &amp; Construction</li> </ul>	Construction services
						1984 - 1987	<ul style="list-style-type: none"> <li>Piping Engineer</li> </ul>	<ul style="list-style-type: none"> <li>Hyundai Engineering</li> </ul>	Construction services
5.	Mr. Prasert Treeveeranuwat	61	<ul style="list-style-type: none"> <li>High School Diploma from Bodinda (Sing Singhaseni) School</li> <li>Director Accreditation Program (DAP) Batch of 103/2013</li> </ul>	0.72%	He is the husband of Ms. Kanchana Rimpanichayakij and the father of Ms. Nita Treeveeranuwat	2016 - Present	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Committee Member</li> <li>Risk Management Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	Construction and Engineering services providers
	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Committee Member</li> <li>Risk Management Committee Member</li> </ul>					2007 - Present	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of Risk Management Committee</li> <li>Chairman of Anti-Corruption Committee</li> </ul>	<ul style="list-style-type: none"> <li>Takuni Group PLC.</li> </ul>	LNG trader
						2007 -2021	<ul style="list-style-type: none"> <li>Chairman of Executive Committee</li> <li>Chief Executive Officer/Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>Takuni Group PLC.</li> </ul>	LNG trader
						2002 - 2018	<ul style="list-style-type: none"> <li>Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>Takuni (Thailand) Company Limited</li> </ul>	Automobile gas installation and gas piping system construction

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations between Directors and Executives	Experience			
						Period	Position	Division / Company / Business Type	
6.	Ms. Nita Treeweeranuwat • Director (Authorized Director) • Executive Committee Member	35	<ul style="list-style-type: none"> <li>Bachelor's Degree from the Faculty of Engineering in Mechanical Engineering, Thammasat University / University of Nottingham</li> <li>Bachelor's Degree in Accounting, Sukhothai Thammathirat Open University</li> <li>Master's Degree in Financial Management, Queen Mary University of London, UK</li> <li>Director Accreditation Program (DAP) Batch of 100/2013</li> <li>Director Certification Program (DCP) Batch of 208/2015</li> <li>Director Accreditation Program (DAP) Batch of 145/2018</li> <li>National Director Conference 2019</li> </ul>	1.09	She is the daughter of Mr. Prasert Treeveeranuwat and Ms. Kanchana Rimpanichayakij	2015 - Present	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	Construction and Engineering services providers
						2022	<ul style="list-style-type: none"> <li>Chairman of Executive Committee</li> <li>Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>Takuni Group PLC.</li> </ul>	LNG trader
						2011 - Present	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Director</li> <li>Acting Deputy Managing Director of Human Resources</li> <li>Deputy Managing Director of General Administration</li> </ul>	<ul style="list-style-type: none"> <li>Takuni Group PLC.</li> </ul>	LNG trader
						2014 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Takuni (Thailand) Company Limited</li> </ul>	Automobile gas installation and gas piping system construction
						2014 - 2020	<ul style="list-style-type: none"> <li>Chief Executive Officer (Acting)</li> </ul>	<ul style="list-style-type: none"> <li>Takuni (Thailand) Company Limited</li> </ul>	Automobile gas installation and gas piping system construction
						2020 - Present	<ul style="list-style-type: none"> <li>Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>Takuni (Thailand) Company Limited</li> </ul>	Automobile gas installation and gas piping system construction

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations between Directors and Executives	Experience			
						Period	Position	Division / Company	Business Type
						2017 – Present	<ul style="list-style-type: none"> <li>• Director</li> <li>• Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Takuni Land Company Limited</li> </ul>	Property Development
						2019 – Present	<ul style="list-style-type: none"> <li>• Director</li> <li>• Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Takuni Trading Company Limited</li> </ul>	Electric motorcycles Manufacturing and Distribution
						2019 – Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	<ul style="list-style-type: none"> <li>• Sermasch Company Limited</li> </ul>	Repair and Maintenance of tools and machinery
						2019 – Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	<ul style="list-style-type: none"> <li>• Sorb Engineering Company Limited</li> </ul>	Sales and installation of tools and machinery
						2019 – Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	<ul style="list-style-type: none"> <li>• Exact Real Estate Company Limited</li> </ul>	Property Development
						2021- Present	<ul style="list-style-type: none"> <li>• Director</li> </ul>	<ul style="list-style-type: none"> <li>• Watchapuch Thai Company Limited</li> </ul>	Trading of pharmaceutical botanical products
7.	Mr. Somchai Kanbuakaew	73	<ul style="list-style-type: none"> <li>• Bachelor's Degree from the School of Engineering in Mechanical Engineering, Sripatum University</li> <li>• Bachelor's Degree from the Faculty of Engineering in Industrial Engineering, the Institute of Technology and Vocational Education</li> <li>• Director Accreditation Program (DAP) Batch of 129/2016</li> </ul>	0.00	-	2015 - Present	<ul style="list-style-type: none"> <li>• Director</li> <li>• Executive Committee Member</li> <li>• Risk Management Committee Member</li> <li>• Chairman of the Nomination and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• CAZ (Thailand) Public Company Limited</li> </ul>	Construction and Engineering services providers



No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations be- tween Directors and Executives	Period	Position	Division / Company	Business Type	Experience
						2022	<ul style="list-style-type: none"> <li>Chairman of the Nomination and Remuneration Committee</li> <li>Director</li> <li>Executive Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>Takuni Group Public Company Limited</li> </ul>	LNG trader	
						2016 - Oct. 2020	<ul style="list-style-type: none"> <li>Director</li> <li>Executive Committee Member</li> </ul>			
						2015 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Takuni (Thailand) Company Limited</li> </ul>	Automobile gas installation and gas piping system construction	
						2015 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>G Gas Logistics Company Limited</li> </ul>	Transportation	
						2015 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Ratchapruet Engineering Company Limited</li> </ul>	Engineering safety testing service	
						2015 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Takuni Land Company Limited</li> </ul>	Property Development	
						2019 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Exact Real Estate Company Limited</li> </ul>	Property Development	

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations between Directors and Executives	Experience			
						Period	Position	Division / Company	Business Type
8.	Ms. Kanchana Rimpanichayakij • Director	58	<ul style="list-style-type: none"> <li>Bachelor's Degree in Business Administration, Assumption University</li> <li>Director Accreditation Program (DAP) Batch of 103/2013</li> </ul>	0.00	She is the wife of Mr. Prasert Treeveeranuwat and is the mother of Ms. Nita Treeveeranuwat	2018 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> <li>Takuni Group Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction and Engineering services providers</li> <li>LNG trader</li> </ul>
9.	Mr. Yeong Cheol Choi • Chief Operating Officer • Engineering and Procurement Division Manager (Acting)	58	<ul style="list-style-type: none"> <li>Bachelor's Degree from the Faculty of Engineering, Chung-Ang University</li> <li>Director Accreditation Program (DAP) Batch of 146/2018</li> </ul>	2.55%	-	1995 - 2015	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>Ratchapruke Engineering Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Engineering safety testing service</li> </ul>
						2018 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction and Engineering services providers</li> </ul>
						2014 - Present	<ul style="list-style-type: none"> <li>Chief Operating Officer</li> <li>Engineering and Procurement Division Manager</li> </ul>		
						2004 - 2014	<ul style="list-style-type: none"> <li>Senior Vice President</li> </ul>	<ul style="list-style-type: none"> <li>Thai Woo Ree Engineering Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction services</li> </ul>

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations between Directors and Executives	Period	Position	Division / Company	Business Type
10.	Ms. Phornthiphat Khantheevit • Chief Financial Officer • Executive Committee Member	48	<ul style="list-style-type: none"> <li>Bachelor's Degree in Business Administration (Accounting), Rajamangala University of Technology</li> <li>Master of Business Administration (MBA), Srinakharinwirot University (Prasarnmit Campus)</li> <li>Master of Business Administration (MBA), Virginia International University, USA</li> </ul>	-None-	-	2017 - Present	<ul style="list-style-type: none"> <li>Executive Committee Member</li> <li>Chief Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction and Engineering services providers</li> </ul>
						2014 - 2016	<ul style="list-style-type: none"> <li>Tax and Accounting Advisor</li> </ul>	<ul style="list-style-type: none"> <li>Won Solutions Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>ERP Service provider</li> </ul>
						1997 - 2011	<ul style="list-style-type: none"> <li>Finance Manager</li> </ul>	<ul style="list-style-type: none"> <li>Internet Thailand Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Internet Service provider</li> </ul>
11.	Mrs. Thitima Tanapakit • Executive Committee Member	42	<ul style="list-style-type: none"> <li>Bachelor's Degree from the Faculty of Commerce and Accountancy, Thammasat University</li> <li>Master of Business Administration (MBA), Thammasat University</li> <li>Strategic CFO Course Batch of 4</li> </ul>	0.00	-	2015 - Present	<ul style="list-style-type: none"> <li>Executive Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction and Engineering services providers</li> </ul>
						2013 - Present	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Executive Committee Member</li> </ul>	<ul style="list-style-type: none"> <li>Takuni Group Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Fuel trader</li> </ul>
						2004 - 2008	<ul style="list-style-type: none"> <li>Auditor</li> </ul>	<ul style="list-style-type: none"> <li>Pricewaterhouse Cooper ABAS</li> </ul>	<ul style="list-style-type: none"> <li>Audit Professional services</li> </ul>
12.	Mrs. Wimol Wehanarat • Support Division Manager	50	<ul style="list-style-type: none"> <li>Bachelor's Degree in Accounting, Rambhai Barni Rajabhat University</li> <li>Master's Degree from the Graduate School of Commerce in Managerial Accounting, Burapha University</li> </ul>	-None-	-	April 2561 - Present	<ul style="list-style-type: none"> <li>Support Division Manager</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction and Engineering services providers</li> </ul>
						2004 - 2018	<ul style="list-style-type: none"> <li>Accounting Department Manager</li> </ul>	<ul style="list-style-type: none"> <li>Thai Woo Ree Engineering Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Construction services</li> </ul>

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of 18 Mar 2022	Family relations be- tween Directors and Executives	Experience			
						Period	Position	Division / Company	Business Type
13.	Mr. Wang Youp Jhee • Construction Division Manager	50	• Bachelor's Degree from the Faculty of Engineering in Civil Engineering, Sungkyunkwan University, Korea	3.45	-	2014 - Present	• Construction Division Manager	• CAZ (Thailand) Public Company Limited	Construction and Engineering services providers
						2005 - 2014	• Project Manager	• Thai Woo Ree Engineering Company Limited	Construction services
14.	Ms. Maliwan Sriwasasom • Accounting Department Manager	42	• Bachelor's Degree from the Faculty of Management and Tourism in Accounting, Burapha University	0.00	-	2014 - Present	• Accounting Department Manager	• CAZ (Thailand) Public Company Limited	Construction and Engineering services providers
						2017 - Present	• Director (Authorized Director)	• JKEC Company Limited	Civil construction services
						2001 - 2012	• Accounting Officer	• Thai Woo Ree Engineering Company Limited	Construction services
15.	Ms. Nattiya Charusombat • Company Secretary • Planning Officer	39	• Bachelor's Degree from the School of Business Administration in Industrial Management, Sripatum University • Company Secretary Program (CSP) Batch of 88 / 2018	0.00	-	2015 - Present	• Company Secretary • Planning Officer	• CAZ (Thailand) Public Company Limited	Construction and Engineering services providers
						2011 - 2015	• Planning Officer	• Thai Woo Ree Engineering Company Limited	Construction services

# Enclosure 2

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

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the company (%) as of Mar 2022	Family relations between Directors and Executives	Period	Position	Experience	Division / Company
1.	Mr. Chung Sik Hong • Director	63	<ul style="list-style-type: none"> <li>Bachelor's Degree from the Faculty of Engineering in Mechanical Engineering, Ajou University, Korea</li> <li>Director Accreditation Program (DAP) Batch of 146/2018</li> </ul>	0.00	-	2014 - Present	<ul style="list-style-type: none"> <li>Director</li> <li>Chairman of the Executive Committee /</li> <li>Chief Executive Officer</li> <li>Chairman of the Risk Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>CAZ (Thailand) Public Company Limited</li> </ul>	CAZ (Thailand) Public Company Limited
						2017 - Present	<ul style="list-style-type: none"> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>JKEC Company Limited</li> </ul>	JKEC Company Limited
						2004 - 2013	<ul style="list-style-type: none"> <li>Chief Executive Officer</li> </ul>	<ul style="list-style-type: none"> <li>Thai Woo Ree Engineering Company Limited</li> </ul>	Thai Woo Ree Engineering Company Limited
						1987 - 2004	<ul style="list-style-type: none"> <li>Piping Engineering Team Leader Construction Manager</li> <li>Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>SK Engineering &amp; Construction</li> </ul>	SK Engineering & Construction
						1984 - 1987	<ul style="list-style-type: none"> <li>Piping Engineer</li> </ul>	<ul style="list-style-type: none"> <li>Hyundai Engineering</li> </ul>	Hyundai Engineering

No.	Name-Surname / Position	Age (years)	Education / Training	Proportion of shares holding in the compa- ny (%) as of 18 Mar 2022	Family relations between Directors and Executives	Experience		
						Period	Position	Division / Company
2.	Ms. Mailwan Sriwasasom • Accounting Department Manager	42	• Bachelor's Degree from the Faculty of Management and Tourism in Accounting, Burapha University	0.00	-	2014 - Present	• Accounting Department Man- ager	• CAZ (Thailand) Public Company Limited
						2017 - Present	• Director (Authorized Director)	• JKEC Company Limited
						2001 - 2012	• Accounting Officer	• Thai Woo Ree Engineering Company Limited
3.	Mr. Jeong Kyu Choi • Director (Authorized Director) • Chief Executive Officer	48	• Kum-Oh National Institute of Technology, Korea	26.83	-	2016 - Present	• Director	• JKEC Company Limited
						2011 - 2015	• Construction Manager	• Thai Woo Ree Engineering Company Limited

## Enclosure 3

### The detail on the Head of Internal Audit (Compliance)

Name – Surname/ Position/ Appointed date	Age (years)	Education/Training	Experiences		
			Periods	Positions	Organization/ Company/ Business
1. Ms. Anutsaya Raksasorn	35	<b>Education</b> <ul style="list-style-type: none"> <li>• Master's Degree from the Faculty of Commerce and Accountancy in Insurance Statistics, Chulalongkorn University</li> <li>• Bachelor's Degree from the Faculty of Management Sciences in Accountancy, Prince of Songkla University</li> </ul>	2020 - 2022	• Senior Internal Audit	• Dharmniti Internal Audit Company Limited / Internal Audit Services
			2018 – 2020	• Internal Audit	
		<b>Certificate</b> <ul style="list-style-type: none"> <li>• Dharmniti Young Executive, Batch No. 1</li> <li>• Certified Professional Internal Auditors of Thailand (CPIAT)</li> <li>• Preparation Course for Certified Internal Auditor (Pre-CIA), Batch No. 26</li> </ul>			
		<b>Training</b> <ul style="list-style-type: none"> <li>• COSO 2013 Course: Theory and Practice</li> <li>• IA Standards and Internal Audit Process Improvement</li> <li>• Anti-Corruption Section</li> <li>• Preparation Course for Certified Internal Auditor (Pre-CIA) Course, Batch No. 26</li> <li>• IA Clinic: Corruption Fraud</li> <li>• Financial Accounting Guideline</li> <li>• IT Audit for Non-IT Audit</li> <li>• Personality Training Course</li> <li>• The Institute of Internal Auditors of Thailand's Seminar for the Year</li> </ul>			

Name – Surname/ Position/ Appointed date	Age (years)	Education/Training	Experiences		
			Periods	Positions	Organization/ Company/ Business
2. Ms. Nutthiyakorn Pasarak	26	<b>Education</b>	2020 – 2022	• Senior Internal Audit	• Dharmniti Internal Audit Company
		• Bachelor of Accountancy, Mahidol University	2018 - 2020	• Internal Audit	Limited / Internal Audit Services
		<b>Certificate</b>			
		• Listening and speaking certificate, Ramkham- haeng Institute of Languages (RIL)			
		<b>Training Course</b>			
		• IA Standards and Internal Audit Process Improvement			
		• IA standard and internal audit process improvement			
		• Reporting principle			
		• CIA course The Institute of Internal Auditors of Thailand's Seminar for the Year			



## Enclosure 4

# Assets used in business operation and details of the property appraisal

### Assets used in business operation

As at 31 December 2021, the Group has property, plants, and equipment used in the operation as follows;

Description	Net Book Value (Million Baht)	Ownership	Commitments
1. Land are follows;	260.63 <sup>2/</sup>	CAZ	Used as assets collateral for the Company's credit facilities such Letter of Guarantee and working capital. <sup>1/</sup>
1.1. Title Deed number 111802, 111803, 111804, (Nor Sor 3 Kor). Located on 239 Huaypong-Nongbon Road, Huaypong Sub-district, Muangrayong District, Rayong Province.			
1.2. Title Deed Nor Sor 3 Kor number 68, 226,1278,1295,12280. Located on 69, Lahan Sub-district, Pluakdang District, Rayong Province.			
2. Building and improvement	113.75	CAZ	Used as assets collateral for the Company's credit facilities such Letter of Guarantee and working capital. <sup>1/</sup>
3. Machinery, tools and equipment <sup>3/</sup>	151.20	CAZ	-none-
4. Furniture and fixtures	3.85	CAZ	-none-
5. Office equipment	9.33	CAZ	-none-
6. Vehicles	7.42	CAZ	-none-
7. Vehicles for construction projects	11.56	CAZ	-none-
8. Assets under installation	0.02	CAZ	-none-
<b>Total Property Plant and Equipment</b>	<b>557.76</b>		
<b>Intangible assets</b>			
9. Program computer	12.38	CAZ	-none-
<b>Total Intangible assets</b>	<b>570.14</b>		

Note : <sup>1/</sup>In 2016, the Company mortgage land and building with a financial institute, amounting of Baht 355 million. And In 2021, has another mortgage amounting to Baht 166 million with another financial institute as well.

<sup>2/</sup>Including, right-of-use of land amounting to Baht 1.42 million,

<sup>3/</sup>Including, right-of-use of machinery, tools and equipment, amounting to Baht 63.48 million

## Investment Policy in Associated Company or Subsidiary

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

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

## Detail of the property appraisal

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- None -

## Enclosure 5

# Report of the Audit Committee

Dear Shareholders,

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

In year 2021, the Audit Committee held Six meetings, occasionally with the management, internal auditors, and independent auditors to discuss on relevant issues, as summarized below.

### Review of the Financial Statements

The Audit Committee has reviewed quarterly and annually consolidated and company financial statements for the year 2021 of CAZ (Thailand) Public Company Limited. All of which were prepared and conducted according to Thai Financial Reporting Standards (TFRS) and Thai Accounting Standards (TASs) with accuracy and adequately information disclosed. In addition, the Audit Committee had held four independent meetings with the independent auditors in the absence of the management so as to freely discuss important issues in preparing the financial statements, adjusting entries materially affecting the statements, adequacy and suitability of accounting entry methods, auditing scope, disclosure which benefits for the intended users and disclosure in accordance with Thai Financial Reporting Standards and Thai Accounting Standards and , as well as the independence of auditors. This is to ensure that preparation of the financial statements is complied with the company's legal compliance, financial reporting standards, accounting standards, and generally accepted accounting principles. The Audit Committee has reviewed and approved that the Audited Financial Statements, with unqualified audit opinion, is free of material misstatements.

### Review of the Risk Assessment

The Audit Committee has reviewed risk management report and quarterly followed up its results by considering both internal and external risk factors, probability, impact, and risk appetite to ensure that the Company remains its risks within acceptable levels. The Audit Committee found that the Company clearly institutionalized the risk management process and communicate it to all related person at every level of the organization. Through the culture, everyone in company understood that risk management is collective responsibility of all management and employees.

### Review of the Internal Control and Audit System

The Audit Committee has reviewed the assessment results of the internal control system prepared by internal auditors and found that the system is appropriate for the Company's operation which covers significant risk factors and has effective performance as well as and a continuous development in both personnel and audit operation according with international standards. There is no material deficiency impacting the company financial statements that the finding corresponds to the independent auditors' opinion.

In addition, the Audit Committee has considered and approved the internal audit plan for the year 2021 which is conducted according to risk basis of the Company. The Audit Committee also provided scope of the internal audit to cover all significant business transactions and operation.

## Review of the Corporate Governance and Regulatory Compliance

The Audit Committee has reviewed the code of conduct and corporate governance and found that the Company has complied with all laws, regulations and requirements of The Stock Exchange of Thailand and related law in its industry. In addition, the Company has strictly adhered to good governance practices and aim to operate its business in a sustainable manner. The Board of Directors always promotes each employee at every level focusing on awareness and adhering to ethic. They also set the policy of anti-corruption and made it in the written form.



## Appointment of the Certified External Auditors

The Audit Committee was satisfied with the independence, professionalism and expertise, and quality of the existing auditors. Thereby, the Audit Committee presented to the Board of Directors, and the Board of Directors has passed the resolution to seek an approval by shareholders in the Shareholder Meeting for the appointment of Ms. Vipavan Pattavanvivek Certified Public Accountant (Thailand) No. 4795; and/or Ms. Nawarat Nitikeatipong, CPA Registration No. 7789; and/or Ms. Chanarat Chanwa, CPA Registration No. 9052 of KPMG Phoomchai Audit Limited as the Company and its subsidiary independent auditors for the fiscal year 2022.

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

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

In 2021, the Audit Committee has performed their assigned duties as specified in the Audit Committee Charter which is approved by the Company's Board of Directors. The Audit Committee carried out the responsibilities by using knowledge, prudence, and adequate independence for interests of stakeholders equally. The Audit Committee agrees that the Financial Reports of the Company for the year 2021 were accurate, reliable, sufficiently disclosed, and prepared in accordance with generally accepted accounting principles. The Company's risk management process is proper and the overall internal control system of the Company is effective and appropriate for the operations. The business has complied with all laws, regulations, and obligation related to the business as well as sufficiently integrated corporate governance with work performance leading to transparency and reliability. The Audit Committee also agrees that the Company continuously improved its operation systems to be higher quality and appropriate of its business environment.

A handwritten signature in black ink, consisting of stylized initials and a surname, positioned above the printed name.

(Mr. Natie Tabmanie)  
Chairman of the Audit Committee





CAZ (Thailand) Public Co., Ltd.

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