

**TWENTY-FOUR CON & SUPPLY PUBLIC  
COMPANY LIMITED**

**24CS**

**Form 56-1  
One Report**

**2022**

**TWENTY-FOUR CON & SUPPLY PUBLIC COMPANY LIMITED**

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NOTHING IS IMPOSSIBLE

# Vision and Mission

## Vision

To be a leading company in design, installation, system engineering and building engineering.

## Mission

- Produce works of engineering system and building structure design with quality technology.
- Create the highest level of customer satisfaction.
- Build a good relationship with partners to become commercial partners.
- Strengthen the organization and employees
- Build confidence, prosperity and peace with everyone in the organization, including stakeholders in a sustainable manner.



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## Message from Chairman of the Board

### Dear Shareholders'

Since the establishment of the company to the present, Twenty-Four Con & Supply Public Company Limited has faced changes and challenges related to business continuously and for the sustainable growth of the company. One thing that the Company always adheres to is conducting business with morality, ethics, and social responsibility. Taking into accounts all stakeholders according to business ethics and being able to deliver quality products to customers in time as needed.

From the situation of the COVID-19 epidemic that has continuously affected from the past, it has affected all business sectors until now, companies, including the public sector, are still affected continuously and it takes time to recover.

In the year 2022, the Company has been listed on the Stock Exchange of Thailand (mai), making the company more able to accept more works. Coinciding with the recovery trend of the construction business of the private sector as well as the investment of large-scale projects from all government sectors. From the aforementioned factors, the Company focuses on bidding for both government and private sectors more as well as maintaining the existing customer base that continues to expand their business. In addition, the Company has a strategy for operating with efficient cost management, focusing on creating quality work together to meet customer needs and create sustainable growth.

The Company has set a strategy in which, in 2023, the Company will take action in various fields to expand businesses related to the Company's existing business in order to further strengthen profitability and financial stability for the Company.

On this occasion, on behalf of the Board of Directors, I would like to thank all stakeholders for all support to the Company and the cooperation of all executives and employees in developing the Company. I would like to assure everyone that the Company will conduct business under good corporate governance with consideration of the best interests of all stakeholders and sincerely hope that every year from now on we will continue to receive good support from all.

*-Gen. Suchart Wongmark-*  
**Gen. Suchart Wongmark**  
Chairman of the Board



## Message from the Chief Executive Officer

Dear Shareholders'

In the year 2022, business operations are challenging in economic and competitive conditions both in Thailand and abroad from continuous changes in global economic conditions, including several waves of COVID-19 outbreaks that have a wide impact. Therefore, the company needs to continuously develop its strategy under good corporate governance, to be able to meet the needs of customers, partners, and stakeholders with the company in order to lay the foundation for sustainable growth in the future and maximize benefits.

The Company focuses on adjusting strategies in management in various areas to strengthen liquidity management, prudence in lending to customers, improving service quality and maintaining profit margins. Including maintaining the existing customer base as well as finding new reliable customers to achieve sustainable development.

On behalf of the Chief Executive Officer, on this occasion, I would like to express my gratitude to the patron shareholders who have always given confidence and support to the Company throughout the year 2022

*-Mr. Yodsawee Wattanateerakitja-*  
**Mr. Yodsawee Wattanateerakitja**  
Chief Executive Officer



# Financial Highlights





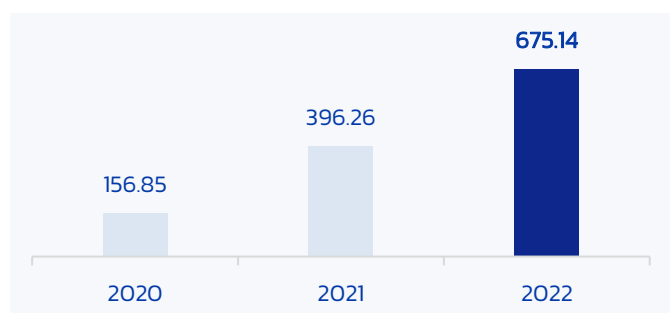
## Financial Highlights

### Revenues from constructions

(Unit: million Baht)

**278.88**

▲ 70.38% YoY

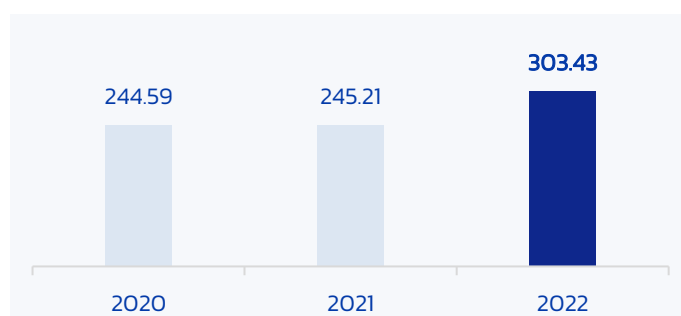


### Revenues from sales of goods

(Unit: million Baht)

**58.22**

▲ 23.74% YoY



### Gross profit

(Unit: million Baht)

**30.73**

▲ 39.51% YoY

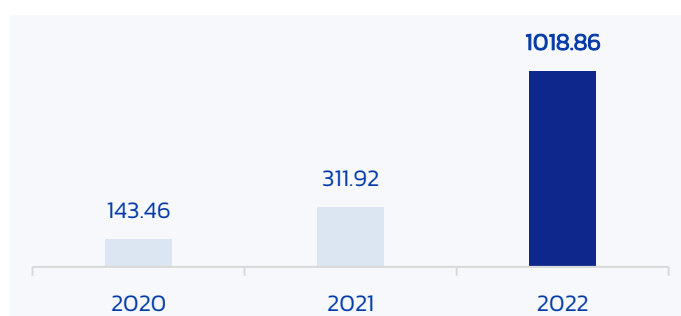


### Total assets

(Unit: million Baht)

**606.94**

▲ 1,473.44% YoY







## Financial Highlights

	(Unit: million Baht)		
	2020	2021	2022
<b>Statement of Comprehensive Income</b>			
Revenues from constructions	156.85	396.26	675.14
Revenues from sales of goods	244.59	245.21	303.43
Cost of constructions	(137.88)	(348.96)	(591.63)
Cost of sales of goods	(216.68)	(214.74)	(278.43)
Gross profit	46.88	77.77	108.50
Profit before finance costs and income tax expense	12.00	28.14	36.60
Profit for the year	6.94	19.46	24.49
<b>Statement of Financial Position</b>			
Total assets	143.46	411.92	1,018.86
Total liabilities	104.48	274.94	409.79
Total equity	38.98	136.98	609.07
<b>Financial Ratios</b>			
Gross profit margin (%)	11.68	12.12	11.09
Earnings before interest expenses and income tax (%)	2.89	4.39	3.74
Liquidity ratio (times)	1.18	1.42	2.46
Debt to equity ratio (times)	2.68	2.01	0.67
Return on equity (%)	20.15	22.11	6.57
Return on assets (%)	5.87	7.01	3.42
<b>Per Share Items (Baht/share)</b>			
Basic earnings per share	0.13	0.27	0.08
Dividend per share	-	10.00	9.33
Book value per share	155.92	91.32	1.42





## The Board of directors

<p>Gen.Suchart Wongmark</p> 	<p>Mrs. Pattra Supanich</p> 	<p>Lieutenant general Parinya Chaidilok</p> 
<p>Mr. Yodsawee Wattanateerakitja</p> 	<p>Mr. Santi Maneewong</p> 	<p>Mr. Thawatchai Jirawataungkana</p> 





## The Executive Committee

Mr. Yodsawee Wattanateerakitja



Mr. Santi Maneewong



Mr. Thawatchai  
Jirawataungkana



Ms. Chutikarn Sa-nga



Ms. Phichsini Pongprasat





# 01 Business Operation and Performance





# Structure and Business Operations

## 1. Policy and overview of business operations

Twenty-Four Con & Supply Public Company Limited (“Company” or “24CS”) is an importer and distributor of air conditioning and ventilation equipment from leading international brands such as TROX, TRANE, AAF, KRUGER, HONEYWELL etc. In addition, the Company is also a construction contractor and a service provider for the installation of M&E work in order to be able to provide more comprehensive services to customers.

The Company has a scope of services for the installation of M&E work, consisting of (1) HVAC System (2) Electrical and Communication System (3) Sanitary and Fire Protection System and (4) Sound Insulation System. The Company also provide additional construction services, such as civil works, architecture works, which are supported by the engineering system of the original building to facilitate the customers to become a contractor one-stop service in order to be able to respond to the needs of customers with full efficiency, deliver quality and standardized work within the agreed timeframe. As a result, the company has been entrusted by customers in the installation of building engineering systems continuously. At present, most of the Company’s customer base is the main contractor who is responsible for large-scale infrastructure construction such as electric train system, construction at airports, power plants, including power stations, office buildings, etc.

### 1.1 Vision, Mission, Operation Strategy, and business goals

#### Vision

To be a leading company in design, installation, system engineering and building engineering.

#### Mission

- Produce works of engineering system and building structure design with quality technology.
- Create the highest level of customer satisfaction.
- Build a good relationship with partners to become commercial partners.
- Strengthen the organization and employees.
- Build confidence, prosperity and peace with everyone in the organization, including stakeholders in a sustainable manner.





### Business Goals

The Company commit to creating work that meets the designs and needs of customers in a timely manner for the highest level of satisfaction to customers and promotes building and maintaining good relationships with all partners by managing budgets within the specified limit and a clear operational plan to ensure efficient operation, including, good corporate governance, risk management and internal control systems for business continuity. In addition, the company has allocated good welfare for personnel, created a standard working system, concise and has a clear framework that is suitable for the operation of the organization, providing appropriate training for each department of employees to increase their skills.

### 1.2 Important Changes and Developments

- |             |         |  |
|-------------|---------|--|
| <b>2013</b> | JUNE    | <ul style="list-style-type: none"> <li>• Registered to establish Twenty-Four Con &amp; Supply Public Company Limited with a registered capital of 1.00 million baht, consisting of 10,000 ordinary shares with a par value of 100 baht, located at 609/81, Pracha Uthit Road, Samsen Nok Subdistrict, Huai Khwang District, Bangkok, to import and distribute products related to air conditioning and ventilation equipment.</li> <li>• Began importing for distribution of products related to air conditioning and ventilation systems under the brand TROX, NICOTRA, FLOWTEC.</li> </ul> |
| <b>2016</b> | MARCH   | <ul style="list-style-type: none"> <li>• Mr. Yodsawee Wattanateerakitja and Mr. Santi Maneewong, who are executives of the Company, bought shares from existing shareholders and increased the company's registered capital to 5.00 million baht by issuing 40,000 additional ordinary shares with a par value of 100 baht and fully paid up in order to invest in expanding services and working capital in the business which after Mr. Yodsawee Wattanateerakitja and Mr. Santi Maneewong holds major shares of 50.00 per cent and 50.00 per cent respectively.</li> </ul>                |
| <b>2019</b> | JANUARY | <ul style="list-style-type: none"> <li>• Increased the Company's registered capital to 15.00 million baht by issuing 100,000 new ordinary shares, with a par value of 100 baht and fully paid up, for investment in service expansion and working capital.</li> <li>• Began distributing products related to air conditioning and ventilation systems under the brand KRUGER.</li> </ul>   |
|             | MAY     | <ul style="list-style-type: none"> <li>• Increased the Company's registered capital to 25.00 million baht by issuing 100,000 new ordinary shares, with a par value of 100 baht and fully paid up, for investment in service expansion and working capital.</li> </ul>  |







- 2021** JANUARY
- Obtained ISO 9001:2015 (The trading, installation and maintenance of heating, ventilation and air-conditioning system, electrical system and plumbing system)
- AUGUST
- Increased the Company's registered capital to 150.00 million baht by issuing 1,250,000 new ordinary shares, with a par value of 100 baht and fully paid up, for investment in service expansion and working capital.
- 2022** MARCH
- The 2022 Annual General Meeting of Shareholders resolved to transform into a public limited company by changing the name to Twenty-Four Con and Supply Public Company Limited, converting the par value from 100 baht per share to 0.50 baht per share and has a resolution to increase the registered capital of the company from 150.00 million baht to 215.00 million baht, divided into 430.00 million ordinary shares with a par value of 0.50 baht per share, with the allocation of 130.00 million newly issued shares to be offered to the public. On March 24, 2022, the Company registered the conversion from a limited company to a public limited company with the Ministry of Commerce.
- SEPTEMBER
- The Company offered IPO shares between September 23, 26 - 27, 2022 and have the first trading day on the Stock Exchange of Thailand on October 3, 2022.

## 2. Nature of Business

### Business overview and revenue structure

Revenue Type	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Contractor for installation of building systems and construction work	156.85	39.00	396.26	61.71	675.14	68.99
Distributor of air conditioning equipment	244.59	60.82	245.21	38.19	303.43	31.01
Total revenue from sales and services	401.44	99.82	641.47	99.90	978.57	99.62
Other revenue <sup>1/</sup>	0.72	0.18	0.64	0.10	3.70	0.38
Total revenue	402.16	100.00	642.11	100.00	982.27	100.00

Note: 1/ Other income mainly consists of proceeds from the sale of assets and interest income


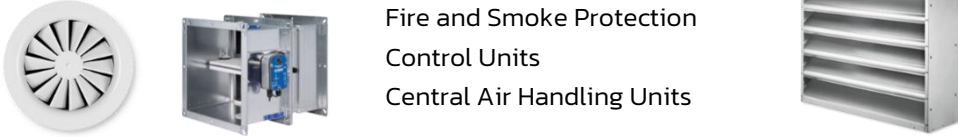






Information about products and services

1. Import and distribution of HVAC – Heating, Ventilation, and Air-conditioning system

The Company is an importer and distributor of products in the category of air conditioning and ventilation equipment of leading international brands from abroad, consisting of;

Brand	Equipment
HVAC system, TROX	Air Diffusers
	Air – Water Systems
	External Louvers – Louvre Blades
	Sound Attenuators
	Fire and Smoke Protection
	Control Units
	Central Air Handling Units

Brand	Equipment
HVAC system, KRUGER	Fans for Ventilation and Airconditioning
	Roof Extract Fans
	Smoke Extract Fans
	Filter Fan Units
	Industrial and Process Fans

Brand	Equipment
Filter / filter for air conditioning system, AAF	Air Filtration Products
	





Brand	Equipment
HVAC system, TRANE	Unitary
	Chiller
	Air Handling Units






2. Contractor services for installation of engineering systems for building and related works

2.1 HVAC – Heating, Ventilation, and Air-conditioning System Installation Services

The Company is able to provide installation services for air conditioning and internal environment control systems starting from procurement of materials, equipment, design and consulting to the installation process of air conditioning and internal environment control systems, consisting of;

- Large air conditioning systems using chiller systems for large buildings such as department stores, large office buildings.
- Split type air conditioning systems include air conditioning systems for buildings with small spaces such as residential buildings and condominiums.
- Variable refrigerant (VRF) air conditioning systems are air conditioning systems for medium-sized buildings that require efficient and energy-saving air conditioning systems.
- Highly accurate temperature and humidity control (CRAC) air conditioning systems, such as air conditioning systems in areas where there is equipment that requires temperature or humidity control, such as a data center.
- Cooling air duct system
- Air ventilation system
- Compressed air and smoke ventilation systems used in high-rise buildings for safety in evacuating people from the building in case of fire.

Examples of works for installation of air conditioning systems and internal environment control







Installation of large air conditioners



Installation of ducts and cold air outlets

Installation of cooling tower



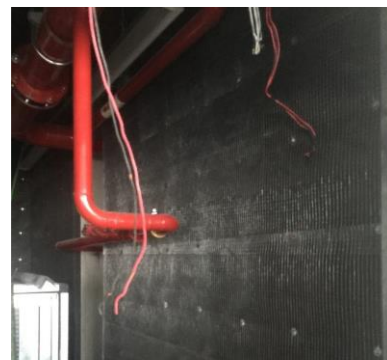
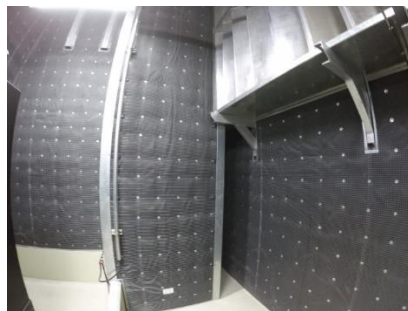
Installation of a small air compressor

## 2.2 Soundproof System Installation Services

The Company is able to provide sound insulation installation contractors starting from the procurement of materials, design and consulting until the sound insulation installation process, consisting of;

- Sound-absorbing decorative walls are ready-made wall panels to reduce echoes or absorb sound.
- Acoustic panels for soundproofing are solid gray sheets covered with moisture-proof material.
- The ceiling absorbs sound and prevents heat well. It is easy to install with a T-bar ceiling, suitable for offices, conference rooms, shopping centers.
- Prefabricated ceiling panels reduce echoes and absorb sound, can be used with a truss system for offices.

Examples of soundproofing installation services



Installation of a soundproofing system

## 2.3 Sanitary & Fire Protection System Installation Services

The Company's installation services for sanitary and fire protection systems cover from the procurement of materials and equipment, consulting, design, system implementation and installation, consisting of





- Plumbing system, including installation of prefabricated water tanks or concrete tanks, water pumps, pipes and water valves to pump water to users in different parts of the building such as bathrooms, kitchens, various machinery equipment.
- Wastewater treatment system, including the installation of prefabricated wastewater treatment tanks, concrete tanks, wastewater pumps, pipes and water valves to transport wastewater from use to be treated before releasing to public areas with the value according to legal standards.
- Drainage system such as rain water drainage system of buildings or areas within the project, flood protection system
- Fire extinguishing system, including fire extinguishing systems with dry or wet pipes, installation of fire pumps using electric or oil engines, pipes and water valves, water distribution heads, fire hose cabinets and fire extinguisher.
- Clean agent fire extinguishing systems, including fire suppression systems that use special fire extinguishing agents for use in areas that require high safety to prevent damage to equipment or people such as FM-200, CO2, IG-100, NOVEC, and Water-Mist.
- Liquefied Petroleum Gas (LPG) system, including the installation of LPG cooking gas distribution stations for use within the building.
- Compressed air system, including air compressor system for use with industrial machinery.

Examples of works for installation of sanitary and fire protection systems



Installation of water pipe systems in buildings



Installation of water pumping system



Installation of a water pump control cabinet



Installation of sewage system





## 2.4 Electrical & Communication System Installation Services

The Company is able to provide electrical and communication installation contractors starting from the procurement of materials, equipment, design and consulting to the installation of electrical and communication equipment, which consists of;

- High-voltage electrical system, such as the expansion of the overhead HV line, the installation of underground HV cables, voltage from 12 - 33 kV, the installation of transformers and protection devices to adjust the voltage from the Metropolitan Electricity Authority or the Provincial Electricity Authority to be low voltage for indoor use.
- Low voltage electrical system, including the installation of a low voltage panel (Main Distribution Board & Distribution Board) to supply electricity at 400/230 volts for lighting systems, electrical sockets, and power systems for use with various equipment.
- Uninterruptible power system, including the installation of a generator for continuous or temporary operation (Standby), installation of a large emergency uninterruptible power supply (UPS), for buildings that need electrical stability or have equipment that is necessary or must be used continuously all the time, such as hospitals, computer centers.
- Telephone system, including the installation of PABX, signal distribution boxes, signal cables and telephone sockets.
- Computer network, including the installation of UTP computer cables, Fiber Optic signal distribution equipment, cable testing.
- Fire alarm system such as conventional or addressable heat and smoke detectors, HSSD-High Sensitivity Smoke Detector.
- Announcement system, including the installation of sound system equipment for the central areas of the building, such as corridors, halls, for use in announcing or reporting incidents.
- Visual and audio system, including installation of visual and sound equipment for meeting rooms, seminar rooms.
- Closed-circuit television system, including the installation of closed-circuit television cameras, video recording systems for use in security or for surveillance of events within the area.
- Television signal system, including the installation of television broadcasting systems by receiving signals from television antennas, satellites or internet signals.
- Access control systems such as door access control systems, barriers, elevators, smart card systems.
- Burglar alarm systems, including motion detection alarm systems.
- Building automation management and control systems, including centralized control systems for controlling the operation of various systems such as lighting control systems, air conditioning and ventilation systems control, water pumping system control and the building's electrical control system.





Examples of works for installation of electrical and communication systems



Low voltage electrical system installation (400 volts)



Electrical control panels



Road sign installation



Lighting installation

Examples of Services for M&E for Buildings in Major Projects of the Company

Projects	Project Owner	Project Nature	Project Value (million baht)	Duration
Government Complex, Zone C	Power Line Engineering PLC	Supply & Installation – HVAC	430.00	Dec 2021 – Oct 2023
Ministry of Interior	Power Line Engineering PLC	Supply & Installation – HVAC	394.50	Jan 2022 – Jan 2026
JLK Tower	Power Line Engineering PLC	Supply & Installation – HVAC	280.00	Feb 2022 – Jul 2023
PLEXUS-NMC EMS Plant	Power Line Engineering PLC	Supply & Installation – HVAC	143.00	Apr 2021 – Apr 2022
Bang Pakong Power Station	Italian-Thai Development PLC	Supply & Installation – electrical system, communication system, waste treatment system and HVAC	132.47	May 2019 – Oct 2021
Rattanaaburi Power Station	Provincial Electricity Authority	Power station construction	130.07	Aug 2021 – Jan 2023
MRT – Park & Ride Pink Line	Power Line Engineering PLC	Supply & Installation – electrical system, communication system and HVAC	112.00	July 2020 – Dec 2021







Projects	Project Owner	Project Nature	Project Value (million baht)	Duration
PTT Training center & Region 12 office	Italian-Thai Development PLC	Supply & Installation – plumbing & fire protection system	64.43	Feb – Mar 2019
Central World	Power Line Engineering PLC	Supply & Installation – HVAC	62.04	Jan – May 2021
Passenger Service Building in the Parking Area of ATTA Don Mueang	Power Line Engineering PLC	Supply & Installation – electrical system, communication system and HVAC	55.00	Mar – Apr 2020
New Parliament (NPM 1, 2, 3, 6, 8 FL.)	Power Line Engineering PLC	Supply & Installation – HVAC	26.33	Feb 2017 – Dec 2019
OZO KATA Phuket	ItalThai Engineering Co., Ltd.	Supply & Installation – HVAC	19.98	Nov 2017 – Jan 2019

Examples of projects that the Company provides services

Pink Line Electric Train Parking Building

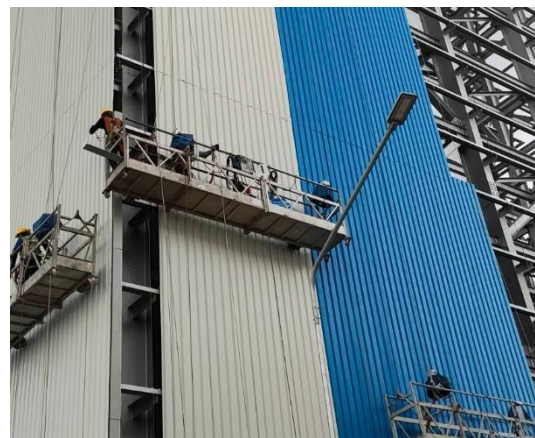
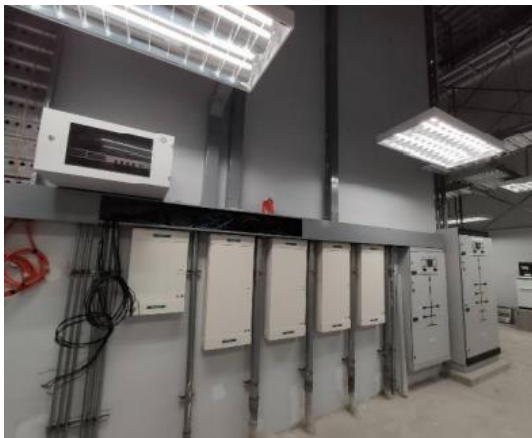


Terminal Thai Tourism Association (ATTA)

Suvarnabhumi Airport, Phase 2



Bang Pakong Power Plant, Chachoengsao Province





Electricity Station, Phuket Province



Triumph Group Factory, Ratchaburi Province



## Marketing and competition

### Competitive strategy

#### 1) Variety of products to support the needs of customers in each industry group

The Company aware of the needs of customers that are different in each application in each industry group. Therefore, the company focuses and gives importance to supplying a variety of products in terms of usage, features, and applications, as well as, a variety of product brands to be able to meet all the needs of customers in all target groups. In addition, the Company also increases options for customers who care about the environment and energy saving by having products designed for energy-efficient buildings or meeting Green Building standards to meet the demand for products of customers who want to reduce emissions greenhouse gases and adapt to Climate Change according to the direction of the world in the future as well, and the management monitors changes in technology and new innovations in order to find products that best meet the needs of consumers.

#### 2) Cost effective management

Since the business of construction of building engineering systems is a business that relies on resource management processes including planning, design, inventory management, planning in the management of materials and equipment used for installation, as well as labor management, therefore, the Company focus on resource management, especially the cost management process to increase efficiency and reduce work losses. The Company has introduced the ERP (Enterprise resource planning) system to help in the management, which will increase the efficiency of management and reduce redundant work and help the Company's executives to receive accurate and clear information and be able to make decisions in a timely manner, while project engineers can also control the withdrawal and use of materials in each project according to the plan.

#### 3) Experience and expertise of executives, sales and engineering teams

The Company's executives, sales team and installation engineers are experienced personnel with expertise in the contractor and installation of air conditioning and indoor environment control systems, as a result, the Company's executives and teams are able to analyze and understand the process of construction design and





installation, as well as being able to develop and extend engineering techniques to be applied to a variety of work processes as well. The Company can provide a full range of design and installation services for building engineering systems, starting from consulting, designing, procurement and installation services to after-sales service. In the past, the Company was able to deliver standardized works within the specified time, resulting in the company gaining the trust of customers and continually receiving new projects from the same employers.

**4) Develop the knowledge and competence of personnel on a regular basis.**

The Company gives importance to its personnel and supports the development of knowledge and abilities to increase work efficiency with quality and standards, which will be a factor promoting the improvement of work in the organization as a whole. The Company supports internal training for personnel both through on-the-job training from personnel with expertise and experience in each department who will transfer their knowledge in terms of academics and skills from the experience of actual operations, including encouraging employees to attend seminars about engineering knowledge to learn new techniques and technologies in installation and construction work.

**5) Acceptable quality and workmanship**

The Company's reputation is recognized for the quality of construction work as well as building good relationships with business partners, as a result, the Company gain trust from existing customers who select the company to bid for new project. In addition to new customers, the Company has also been introduced to new customers, both from the main contractor, project consultants and other partners. Furthermore, the Company also focuses on organizational development to meet the standards under the ISO 9001:2015 quality management system, which the company has been certified in the sales, installation and maintenance of heating and ventilation systems and air conditioning system, electrical system, and water supply system so that the company can deliver work according to the quality standards.



**6) Customer Retention**

In addition to always selling quality products to customers, maintaining the existing customer base to continuously and consistently buy and use the service is another important factor in business operations and to create stability of the Company, therefore, the Company is committed to distributing quality products and meeting the needs of customers that may change, including planning customer relationship management or doing Customer Relationship Management (CRM) so that the Company can meet the needs of customers. There is communication through a marketing team that can communicate and respond directly to the needs of the Company's customers. Besides maintaining the current customer base, the Company also focuses on expanding the new customer base. The marketing department is





responsible for communicating in order to make an appointment with new customers to introduce the Company, as well as offering products and services to be recognized in order to continually expand the customer base.

### Pricing policy

As for building engineering products and air-conditioning and ventilation systems sold by the Company, the Company will set selling prices based on cost plus margin (Cost plus Margin) under the approval authority and policies set by the Company. The incremental profit margin set by the Company will be based on market competition and economic conditions at that time, which is another factor in setting prices in order to create business advantages to be able to compete in the market. While in terms of pricing for construction services, it will start from the estimating department, who will receive information and details of the project from the sales department to estimate the cost of sales and installation of the project and prepare Preliminary Bill of Quantities (BOQ). The price information in BOQ for general equipment will be considered from the price list prepared in the database. As for government projects, there will be a median price used for that project, while the amount of materials and equipment and labor costs will be determined according to the construction drawings that differ from project to project. After that, the executives and related parties will have a meeting together to consider additional construction-related costs, such as employee salaries related to the project, depreciation, and indirect costs such as the value of performance guarantees as factors for price consideration used in making a reasonable bid to know the true cost of each project and then add the appropriate profit margin.

### Target customers and distribution channels

The building engineering system is considered an important component of the construction of buildings and infrastructure systems. Therefore, the Company's target customers are scattered in a variety of industries such as power plants, industrial plants, buildings, hospitals, hotels, etc. The Company provides services that can meet the needs of customers very well and with quality as well as always create satisfaction for customers, therefore the Company has been continuously trusted in new projects. As for the distribution of air conditioning and ventilation system products, as well as the construction of the Company's engineering system construction services, most of the Company's building systems are hired and received from main contractors in the form of sub-contracts, which is in line with the Company's policy to accept work from large private contractors with credibility and good financial status in order to reduce the risk of payment default. The management and marketing department of the Company will use the method of telephone calls or emails to meet with existing customers who have worked with them directly or contacting new target customers that the sales and marketing department expects to use the Company's products or services to open up new customer bases. Including tracking news about project launch plans from a variety of media such as websites, newspapers for projects that are private agencies and news from announcements on the procurement system of the Comptroller General's Department for projects belonging to government agencies.







### Industrial conditions

The Company's main customer base includes power plants, industrial factories and office buildings of project owners, both government agencies and private agencies, including government mega projects such as electric train route expansion projects, airport expansion projects, etc. Therefore, the growth and new project launches of operators in the aforementioned industries are factors that affect the expansion of the Company's performance as a distributor and installation service provider for end customers in the aforementioned groups.

#### Power Plant Industry and Electricity Consumption

From the proportion of revenue classified by project types of the company in the past and present, it can be seen that more than 40.00 per cent of the Company's revenue comes from power projects. Therefore, the Company's growth is in the same direction as the expansion in the power plant industry and industries related to energy infrastructure development.

The electricity generating business has important characteristics as follows: (1) the generated electricity cannot be stored as stock like other products and must be delivered to customers or consumers immediately through the transmission system (2) electricity generating capacity cannot be increased in a short period of time because power plant construction takes 5-7 years (depending on the type of power plant) to meet the future demand for electricity (3) government agencies are responsible for regulating both production and distribution, as well as setting electricity prices and preparing investment plans to increase the country's electricity generating capacity. The growth direction of the power generation business depends on domestic electricity demand, which fluctuates according to economic conditions. The average growth rate is approximately 0.9 – 1.1 times the GDP growth rate and the country's Power Development Plan (PDP) and Alternative Energy Development Plan. : AEDP) of the public sector. In 2021 – 2022, the private power generation business is likely to grow better, respectively, from both the definite market demand and the supply side from the government's investment promotion policy according to the PDP. That is, domestic electricity demand will expand on average 2.80 – 3.80 per cent per year. The economic situation is likely to recover gradually, which will support electricity demand in business and industrial sectors, while household demand continues to grow due to the Work from Home measures of most agencies. In addition, changes in official regulations that may affect the energy industry and the environment, such as the Energy Reform Plan to transition to a low-carbon economy (expected to be effective in 2023), including (1) Power Development Plan (PDP 2022) (2) Natural Gas Management Plan (3) Alternative Energy Development Plan (AEDP) (4) Energy Efficiency Plan (EEP) and (5) Oil plan. It is expected that the aforementioned plan will result in increased investment in many businesses such as power generation, natural gas production and import business, and oil refinery business.





For the years 2022 – 2024, the power generation business is likely to continue to grow from the expected average growth of 3.60 per cent per year in line with the gradual economic recovery. Including the policy to support government investment according to the PDP plan, facilitating the expansion of production capacity and investment in new power plants in all 3 sectors, namely (1) IPP expects that there will be several auctions with the government planning to bid for power plants with a capacity of 700 megawatts per year in the western region of the country during 2021–2022 to replace natural gas power plants that have gradually expired. (2) SPPs tend to expand production capacity and invest in new power plant construction, especially natural gas-fired cogeneration power plants that gradually expire (during 2019–2025) and renewable energy power plants, SPP hybrid firms, whose fuel costs are lower than the retail price of electricity, as well as investing in new power plants in the EEC area to support increasing demand (3) VSPF expects that investment will accelerate in 2022, especially solar power plants installed on the roof of the public sector, biomass, biogas and waste as the target groups that the government will gradually accept to buy electricity in 2022–2024. It is also a group with competitive potential in terms of costs and raw material sources.

Source: Krungsri Research

#### Real Estate Industry Situation in the Category of Office Buildings, Condominiums, Hotels

Overall construction investment over the next 3 years is expected to grow by an average of 4.50 – 5.00% per year. The main driver is the acceleration of government investment in large-scale projects, especially projects related to the Eastern Economic Corridor (EEC), and the gradual economic recovery, which will boost private construction investment in both residential and commercial projects. Public construction investment is expected to grow at an average of 5.00 – 5.50% per year from large construction projects, especially projects linked to the EEC under the Infrastructure and Utilities Action Plan in the EEC Area Phase 2, 2023 – 2027, amounting to 77 investment projects of 337.80 billion baht (construction only) are expected to accelerate, including various mega projects in other areas that should progress more. Private construction investment tends to gradually recover and is expected to expand at an average of 4.00 – 4.50 per cent per year, driven by (1) Acceleration of public infrastructure investment, which induces private construction to expand, especially housing along electric train lines and new transportation routes (2) investment in the EEC that will encourage the construction of factories and industrial estates in the area and (3) Investment in residential construction that tends to improve.

Source: Krungsri Research

#### Competitive conditions

Due to the Company's experience and expertise in the construction of air-conditioning system and internal environment control contractors, the Company has a database to use in estimating prices and bidding for works in a variety of industries, including commercial construction such as office building group, condominium group, department store group and industrial construction such as power plants, industrial factories laboratory building group, etc. Therefore, although the overall economy of the country is still facing volatility from both internal and external factors that cause construction work in some industries





to slow down, it may increase the competitive advantage for contractors who have experience in construction work and have financial readiness, which is an important factor to increase the chances of winning the project bid.

#### Procurement of goods, materials, and equipment

The Company has a policy to purchase each type of raw material from many suppliers by comparing prices, negotiating prices, preparing a selection summary report, and attaching documents with complete quotations from vendors or service providers. However, the Company will select raw materials by considering quality, price, trade conditions and characteristics of raw materials.

#### Labor recruitment

The Company recruits and selects sub-contractors from the AVL register of contractors of the Company by considering the contractor's qualifications, quality of work, expertise, ability to deliver work on time, service after delivery and experience together in the past from the contractor's evaluation data. To be a factor in the selection, especially the work experience similar to that project. In addition, the Company also considers the financial status of the contractor company as an element. To ensure that the installation of engineering systems for building and construction of the company meets the quality standards and can deliver the work on time. The Company has a team of engineers at the site to supervise every step of the operation. With such a mechanism, the Company can manage the contractor to be able to deliver the work to the company on time as specified.





### Assets used in business operations

As of December 31, 2021 and December 31, 2022, the Company has Assets used in business operations consisting of;

### Property, plant and equipment and right of use assets

As of December 31, 2021 and December 31, 2022, the assets used in the Company's business operation are property, plant and equipment and right-of-use assets, details as follows;

Category	Utilization	Net Book Value (million baht)		Ownership characteristics	Obligations
		December 31, 2021	December 31, 2022		
1. Leasehold improvements	Head Office	0.31	0.19	Long Term Rental	None
2. Tools and Equipment	Used for Business	1.53	1.34	Own	None
3. Machinery	Used for Business	0.06	0.05	Own	None
4. Furniture and office equipment	Used for Business	2.13	3.84	Own	None
5. Vehicles	Used for Business	0.37	0.08	Own	None
6. Right-of-use assets					
- Office building space	Head Office	2.74	1.54	Long Term Rental	None
- Vehicles	Used for Business	10.03	11.29	Own	None
- Machinery	Used for Business	1.77	4.82	Own	None
- Office Supplies	Used for Business	0.06	0.33	Long Term Rental	None
<b>Total</b>		<b>19.69</b>	<b>23.48</b>		

Note: The Company has no land and land improvement because the Company rents a condominium area in AIA Capital Building to be the location of its head office.

### Intangible Assets

As of December 31, 2022, the company has intangible assets of 0.22 million baht, which are computer program patents (December 31, 2021: 0.24 million baht).







Backlog

Backlog as of December 31, 2022

Project	Nature of Construction Work	Commencement of Contract	Expected Completion <sup>/1</sup>	Project Value (million Baht)	Unearned Revenue (million Baht)
1. Ministry of Interior	Supply & Installation – HVAC	January 2022	November 2026	394.50	264.43
2. Government Complex, Zone C	Supply & Installation – HVAC	December 2021	October 2023	430.00	210.16
3. JLK Tower	Supply & Installation – HVAC	February 2022	July 2023	280.00	137.35
4. TUM 3.2	Supply & Installation – HVAC	June 2022	June 2024	270.00	114.58
5. Rattanaaburi Power Station	Power station construction	August 2021	July 2023	130.07	26.09
6. MRT – Park & Ride Pink Line	Supply & Installation – electrical system, communication system and HVAC	July 2020	July 2023	112.00	1.03
Unearned revenue from sales of goods <sup>/2</sup>					415.96
<b>Total</b>					<b>1,169.60</b>

Note:

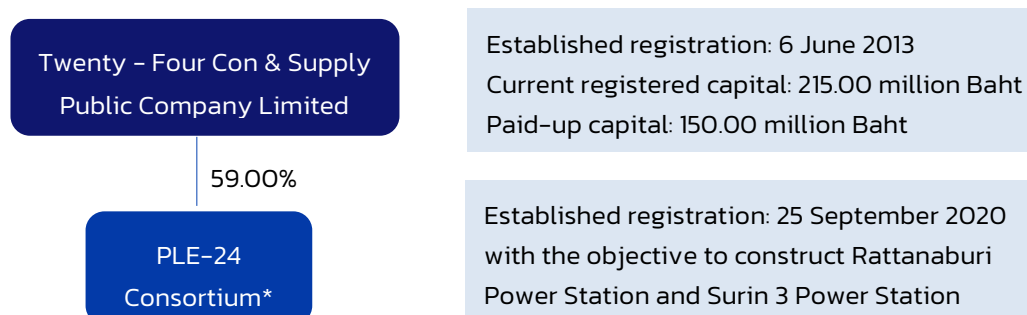
/1 The expected completion year is based on the schedule according to the main construction contract, including the extension of the additional construction period due to changes in the construction drawings, request for extension of the construction scope which creates additional work from the contract or employer requests an extension of the construction period, the employer delivers the construction area not in accordance with the contract, etc.

/2 Revenue from the sale of goods pending recognition means revenue pending recognition from the delivery of goods that have received purchase orders but have not yet reached the delivery deadline.

### 3. Shareholding structure of the group of companies

#### 3.1 Shareholding structure of the group of companies

As of March 31, 2022, the Company has invested in consortium as follows:



\* It is a consortium with Power Line Engineering Public Company Limited ("PLE") in which PLE holds 41.00% of the investment.





#### Consortium information

Name	PLE-24
Location	2 Soi Sukhumvit 81 (Siripoj) Sukhumvit Rd., Bangjak, Phrakhanong, Bangkok
Nature of business	Construction
Telephone	02-332-0345
Fax	02-311-0851

3.2 Persons who may have conflicts of interest hold shares in subsidiaries or associated companies altogether more than 10 percent of the shares with voting rights of such companies.

- None -

3.3 Relationship with major shareholder's business group

- None -

3.4 Top 10 major shareholders as appeared in the latest list of shareholders as of Dec 2, 2022.

list of shareholders	number of shares	%
Mr. Yodsawee Wattanateerakitja	105,000,000	24.4
Mr. Santi Maneewong	105,000,000	24.4
Mr. Thawatchai Jirawataungkana	30,000,000	7.0
Mrs. Prapai Wongmakes	30,000,000	7.0
Mr. Prayoon Assakan	21,141,300	4.9
Mr. Poolsawas Sripattranusorn	2,060,000	0.5
Ms. Kannika Janprae	2,000,100	0.5
Mr. Nirut Bunkhetpitak	2,000,000	0.5
Mr. Manit Sarayuttikorn	1,790,000	0.4
Mr. Decha Jitjarungporn	1,500,000	0.3

## 4. Registered and Paid-up Capital

### 4.1 Ordinary Shares

As of December 31, 2022, the Company has 215 million Baht of registered and paid-up capital 215 million Baht. It can be categorized into 430 million common stocks, with the par value of Baht 0.5 per share.

### 4.2 Debenture

- None -

## 5. Other Securities

- None -





## 6. Dividend paid policy

The Company and its subsidiaries have policy to pay dividend of not less than 40% of net profit after deduction of tax and legal reserves if such dividend payment does not have an adverse effect on corporate operations significantly. Factors that are considered include the Company's operation results, the Company's cash flows, liquidity, and business expansion plans. The dividend payment must be approved by the shareholders.





## Risk Management

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### 1. Risk factors for the Company's business operation

The investors should carefully consider risk factors including other information provided on this document before making an investment decision since this may affect to the business performance and value of shares of Twenty-four Con & Supply Public Company Limited ("the Company"). Also, the risk factors listed in this section may not cover all possible risks. Therefore, other risk factors which are not mentioned in this document or the risk that the Company deems insignificant to the current business operations may be a risk factor that affects the business operation and/or business performance of the Company in the future.

Besides, forward-looking statements, estimations, and assumptions provided on this document i.e., "believes", "expects", "considers", "deems", "may", "plans", or "approximately", etc., as well as other words or statements that convey the same meaning, including business planning, business projection of future earnings, changes in laws and/or regulations related to the Company's business operations, government policies, etc., are only conjecture of what might happen in the future. Thus, the actual results may differ materially from those projected.

Risk factor either internal or external factors that may affect the Company's future performance as well as the return that will be received from the investment in the company's shares, can be summarized as follows.

#### 1.1 Business Operation's Risks

##### 1) Risk from Discontinuity of Income of Building Engineering System Contractor Business

The main businesses of the Company can be classified into 2 types as follows: 1) Business of selling building materials including air conditioning, ventilation systems, and other related equipment. The company is a distributor of air conditioning and ventilation systems of popular brands such as TROX TRANE NICOTRA FLOWTECH, etc. As the Company has been continuously selling for a long time, the company has a customer base with a certain number of recurring orders. Therefore, the Company deems to has continuity in terms of income from this business operations. and 2) Construction engineering system installation business which recognize revenue from construction work according to the success rate of the completed work which is in accordance with the TFRS15 accounting standard on revenue from contracts made with customers. Therefore, the Company may face the problem of continuity of revenue from the building engineering system contractor business in case that company is unable to complete the construction as planned as well as if the customer wishes to modify the design, add tasks, or remove some tasks, the Company may have to extend the working period. As a result, the company may not be able to complete the work within the specified timeframe. In addition, the Company is also exposed to risks in case that the Company is unable to bid for new works as planned. Thus, it is a limitation and a cause of lacking continuity of income. This may have a







direct impact on the Company's operating results to not meeting the target especially in the stagnant economy or intense price competition because most building engineering system contractors will use price competition in bidding. Also, there are currently more entrepreneurs entering this type of business.

To mitigate such risks, the company has set up guidelines for the management to regularly follow up on the news of the bidding. In the meantime, the marketing department will prepare plans and meet with customers, especially the main contractor regularly in advance, to be informed of the construction bidding and notify the estimating department and the purchasing department to analyze and study the details of the cost and expense budgeting of each project in advance in order to increase the potential for cost and expense budget estimation for each project. This will result in the Company having more chances to get a job or win an auction. In addition, the company is still committed to maintaining the quality of service to create satisfaction and trust from customers both in terms of engineering accuracy, ability to deliver work on time, and construction guarantee period service, which usually has an average warranty period of 1-2 years from the date of delivery to the customer. According to past statistics, it was found that customers who used the services of the Company tended to consider choosing the Company to be the service provider in other projects as well. As a result, the company has expertise in the project of that customer, which is considered an advantage of the company in such matters.

## 2) Risk from Inaccurate Construction Cost Estimation

Before the company offers building engineering system construction services or participates in bidding for building engineering system contractors from customers, the company must go through the process of preparing the construction cost estimate (BOQ) every time. The objective of doing such is to know the cost budget used in the construction and to make a preliminary bid. Therefore, if the company inaccurately analyzes and estimates the construction cost, the cost of construction may be lower or higher than reality. This may result in the Company facing a few risks, for example, in case that the Company estimates the construction costs too low, it may cause the company to loss from the operation of that project, or the performance may not go as planned. While in the case that the Company estimates the construction cost too high, the price used in offering or bidding may be higher than the price that competitors offered. As a result, the company is unable to compete with competitors and may eventually lose the opportunity to get a job.

To mitigate risk from inaccurate construction cost estimates the Company has set up measures for estimating construction costs cautiously in accordance with the following guidelines: 1) Applying the ERP system to assist in planning and budgeting. The system has work modules that support construction planning and linkages between different departments, thus helping to make planning and budgeting for construction more systematic and accurate. 2) Prepare operation manuals for the Estimation and Operating Sections, consisting of a detailed and step-by-step process, to provide relevant employees with concrete work guidelines and reduce errors in price estimation. 3) Assign the Purchasing Department and the Price





Estimating Department to store the database of costs of construction materials used in the past, such as prices of products or materials that the Purchasing Department used to negotiate and order with distributors. This makes it possible for the company to use it as a reference in estimating construction costs and make the estimating to be more accurate. In addition, the database allows Purchasing Departments to negotiate lower price purchases of goods or materials in the future. 4) Assign the Marketing Department to collect information on prices used in offering and bidding, both in the case that the company won the job and does not, to analyze successes and mistakes for strategic planning to bid or offer afterwards. In addition, during the year 2019 – 2022, the Company has a total of 28 construction projects, but has not found any projects that the company estimates construction costs are inaccurate and lower than reality to the point that it causes a loss from the operation under the main contract. Thus, this indicates that the Company's project costing process has a reasonable risk control mechanism.

### 3) Risk from Changes in Prices of Materials and Equipment Costs used in Installation

Due to the nature of the Company's service contract, the value of the contract is fixed at the contract date. The company must manage the use of resources to be sufficient both in terms of quantity and managing the procurement of materials and equipment within the project budget. Therefore, in case that the price of materials and equipment has increased, and the company is unable to negotiate the price from its counterparts, or in the case that the company does not manage and plan to procure sufficient materials and equipment to meet the demand in accordance with the contracted price, the Company will not be able to claim the employer to be responsible for the fluctuation of the price of such materials and equipment with the Company because it is beyond the scope that the Company agreed with the employer as specified in the contract. Therefore, the increase in the price of materials and equipment may affect the cost control of that project and may cause the profit margin of such project to not be as expected or calculated by the Company or may even be at a loss.

In addition, the company has measures and policies to reduce the risk from changes in the cost of materials and equipment by specifying operational procedures that assigns the company's Purchasing Department to be responsible for negotiating and considering the purchase of sufficient materials and equipment to meet the demand for each project. The Purchasing Department will combine the demand for materials from the projects that the company has already signed contract with customers as well as the prospective projects that has a certainty to increase the volume of purchase order and gain power to negotiate unit costs from distributors. Also, the Purchasing Department will negotiate with trade partners who have been continuously trading to submit prices for materials and equipment before the begin of the bidding in order to use the information to estimate the installation cost. After the Company received the job, the purchase order will be issued to fix the price of materials and equipment throughout the construction period of that project. However, in the past, there has not been any change in material and equipment prices that caused the damage to the overall performance of the Company.





#### 4) Risk from Insufficient Number of Labors

Managing and allocating the number of labors to meet the needs and construction plan is the succession key of the building engineering system installation business as the business requires a large number of skilled labors to deliver work to customers as specified in the contract. Therefore, if the Company does not manage the number of skilled labors sufficiently, it may affect the Company not being able to deliver work to customers within the specified period and may cause the company to pay a penalty for late delivery or incur costs that are higher than the company estimates due to the need to extend the period of hiring labors according to the extension of the working period. Moreover, it also reduces the credibility of the company and affect the Company's plan to accept works or bid for projects in the future.

To reduce the risk of labor shortages, the company has developed a labor recruitment plan to fit the location area of the construction project and duration of work to ensure that the Company will be able to complete the work according to the delivery schedule specified in the contract. In addition, the company is not a supplier of sub-labor, such as installing power sockets labors, plumbing workers at each point of the construction work. However, the Company manages labor costs by employing labor through sub-contractors. The sub-contractor will supply labor to install the system with the Company's engineers supervising the installation in order to meet the building engineering system standards. With the method of hiring outsourcing labors through sub-contractors, the Company can save more costs compared to an establishment of a new department which will be obligated to pay both the employee wages and various welfares. To increase the certainty of finding sub-contractors that will supply enough construction/installation labors to meet the Company's labor demand, the Company prepares the Approved Vendor List (AVL) to select sub-contractors with qualifications and experience according to the conditions set by the Company. As a result of such management, the Company has never faced a shortage of construction/installation labors. Based on the assessment of the current labor situation, the Company's management still believes that the Company can effectively manage the recruitment of labors to meet the Company's needs even if the company accepts more work than usual or facing a shortage labors or entering labor competition during the expansion of the construction industry or system work.

#### 5) The Risk of Relying on Income from a Small Number of Main Contractors

With the limitation of general construction business that employers tend to hire contractors for the main project as a turnkey project without dividing by the function of work as civil work, architecture work, and system work are separately, it is necessary for the Company to offer the construction of building engineering systems to the main contractor as a sub-contractor. As a result, most of the Company's customer base is a construction contractor who is the main contractor of the project.





Also, another reason why the Company's income comes from the forementioned main contractors is due to the company's business policy to accept jobs from reliable main contractor with strong reputation and financial position. As a result, the Company has chosen to be the contractor for the construction of the building engineering system from the said main contractor. However, as the Company is aware of such risks, the Company has a policy to increase its qualifications to meet the criteria for accepting work directly from contractor such as increased the registered capital, establishment of Joint Venture PLE24, a joint venture established by the Company and Power Line Engineering Public Company Limited to bid for government jobs, etc. The implementation of such strategies will help the company to have a reference performance and will help the company to expand its customer base to directly accept jobs from government and private sector customers without having to go through the main contractor. In addition, executives and Marketing Departments continue to seek opportunities to bid for work either from other main contractors or to bid directly for the employer in order to reduce their reliance on the revenue from a small number of main contractors as well.

#### **6) Risk from Changes in Government Policies or Regulations**

The Company focuses on accepting work as a sub-contractor for the installation of building engineering systems which are mostly the projects of government sectors. Therefore, changes in government policies or regulations may affect the Company's performance in bidding for various projects in the future. In addition, other government policy amendments such as LTV (Loan-To-Value) measures or housing loan ratio compared to value which is set by the Bank of Thailand also affects investors to buy housing for speculation because the more investor buy a lot of housing, the less ratio of loan to home value will be. Therefore, such measures will indirectly affect the business of the Company, that is, when there is lower demand of real estate investing, the project owners will delay the launch of the project as well and resulting in fewer engineering system installation work for the Company.

With the awareness of potential risks, the management and related departments always keep up with news about changes in government policies or regulations. If there is a change that may affect the operation of the Company, there will be a meeting within the organization to discuss about various potential risk issues from both direct and indirect risks to find ways to solve problems or mitigate such risks, and resulting in adjusting the acceptance policy or the bidding to be in line with the situation at that time.

#### **7) Risk of Relying on Engineers**

System installation business requires specialized knowledge and skills including work experience in engineering. The project Manager ("PM") is a key person in managing the work to be completed within the specified timeframe as well as complying with engineering standards and within the specified project budget. Therefore, if the company lacks such important employee, it is difficult to manage or control the work to come out efficiently and according to the plan.







At the present, the Company has enough employees involved in the Engineering Department to operate as well as being able to deliver effective work that meets the standards within the specified timeframe and within the project budget. Moreover, the Company is capable and ready to support new jobs in the future. However, the Company places importance on the development of employees' abilities and provide opportunities for employees to attend training to enhance knowledge, techniques, and work experience. Also, the Company has published operating manual to make sure that the employees can work according to the procedure systematically and meet the standard in work and reduce reliance on an employee.

#### **8) Risk of Late Delivery of Work within the Specified Time Frame**

The problem of delays in building engineering system installation is an inevitable problem which are caused by a variety of factors including the case of delays from the project owner, such as delayed delivery of the area, changes in the installation type, lack of liquidity, etc., or from the case of delays from the Company's operations, for example, the sub-contractor's inability to deliver the work as agreed with the company, management of the availability of necessary materials and equipment, etc., or it may be caused by force majeure that is beyond the expectation or control of both the employer/project owner and/or the Company, such as epidemic problems or natural disasters, etc., However, when there is a delay regardless of any factor, it is negatively affects all parties in terms of increasing costs, time and personnel. If related parties are unable to agree on the conclusion about the cause of the delay, it may lead to lawsuits in court. As a result, this will affect to the overall operation of the Company as well as the reputation of the Company which will have a continuous effect on accepting jobs in the future.

To mitigate such risks, the Company has assessed the expected period of operation to be in line with the reality as much as possible and carefully reviewed the draft contracts made with every customer. By doing so, the project manager, who is responsible for the work of each project, need to prepare a work plan to supervise the work of sub-contractors clearly. In addition, the Company's management also holds a meeting to follow up on the progress of each project at least once a month to receive a report from the project manager. In case the problem occurred, the project manager is also allowed to call an urgent meeting with the management to seek advice in solving the problems encountered. The Company has the following steps to deal with problem: 1) Meeting between project owners, project consultant, Structural Construction Contractor, and related parties to discuss the operational guidelines from the first stage of an incident that may cause the construction work to not go as planned. 2) Send an e-mail explaining the details of the reasons and guidelines as discussed in the meeting to the employer. 3) Issue a reserved letter to extend the delivery period from the period specified in the contract to the employer to clarify the cause and necessity of the delay. Such reserved letter will be signed in writing by both parties for acknowledgment. In the past, the company has never been demanded to pay a fine for late delivery. In addition, the company has been certified according to the standards of the Quality Management System ISO 9001:2015, which is internationally recognized. Therefore, it can be confident that the Company has a





good process to control the work and can be audited. Moreover, the Company has also prepared the S-Curve for each project as a tool to monitor the management of each project to observe the progress of project to be in accordance with the plan and specified timeframe. If it is not along with the work plan, a meeting will be held with stakeholders to find out the cause and take corrective action in a timely manner.

## 1.2 Financial Risk

### 1) The Risk of Unable to Collect Payments from the Modified or Additional Works that Occur Afterwards

During the process of installing the building engineering system, the customer may wish to request an amendment, or adding to the scope or type of the work. The Company often has to do such job before the price finalized. To make the installation process go smoothly and quickly, prior to receipt of written confirmation of the order containing the price of the work that is modified or supplemented by the customer. The Company has to bear the cost of work incurred beyond the scope that has been agreed upon in the confirmation of the order or the main contract. This may result in the company facing the risk of being negotiated a price lower than the company estimates and affect the minimum profit margin of such projects to be lower including the inability to collect money from work that has been modified or added.

Due to the awareness of such risk factor, the Company has established a policy to control the risk that may arise from the inability to collect payments from the modified or additional work. In case, the customer wishes to modify or add work, the on-site engineer will assess the initial situation, if it is an urgent case that needs to be done quickly, the Company must only receive a written order for modified or additional work from the client first. The project engineer will prepare a written summary report of the change work that has been carried out which must specify the date, type of service, and calculate the sum of the value of such work, and send to customers/project owners for inspection as well as use this report as a supporting document for collecting payments from customers in the future. However, in some cases that the Company would like to maintain business relations, the Company may consider reducing the price of additional work for customers in certain items with the condition that it must not exceed the minimum gross profit forecast set by the Company under the approval authority approved by the Board of Directors.

### 2) Risk from Receiving Late Payment or Not Receiving Payment from Customers (Overdue Accounts Receivables)

The process of collecting payments from customers in the construction business is more complicated than other types of business since the Company must provide installation services before collecting payments from customers. The billing from the customer will be based on the proportion of completion of the work which must also pass the work acceptance process from the employer or the project owner. Therefore, during the pre-billing period, the Company will have to bear all costs and expenses that occurred during the operation. As a result, the Company may face the risk of





being unable to collect payments from customers or delaying payment from customers. This is often due to the complexity of the work acceptance and customer reimbursement procedures. In addition, private sector customers often have a job inspection process that must be considered by project consultants, employers or project owners in hierarchical order, while government sector customers will have budget disbursement procedures which may not be consistent with the duration and stage of completion of the work.

To mitigate the risk of receiving late payments or overdue debtors, the Company places importance on the process of job selection or bidding jobs either jobs from private or government sector customers by always considering the history and financial status of the employer before accepting the job. The Company also has a strict internal control system for tracking payments from customers. The Company assigns the Accounting and Finance Department to follow up with the customer to make payment when the payment is due according to the customer's billing cycle for each installment, as well as to prepare a summary of the outstanding accounts receivable to report to the management on a weekly basis. In the case that the customer has payment overdue the specified period, the Operations Department will assist to follow up on payments with customers by asking verbally, issuing a notification letter through e-mail, scheduling a meeting, or considering issuing a written demand letter, etc. At present, the Company does not have any customer who does not pay the service fee or has a risk of receiving a late payment or has a risk of not receiving payment.

### **3) Risk from Relying on Financial Assistance from Major Shareholders and Persons Who may have Conflicts**

Until the present, the Company has obtained funding from borrowing from financial institutions with a major shareholder as a guarantor which is in accordance with the terms of the loan agreements made with financial institutions. So, if in the future the group of major shareholders refuses to aid in the field of guarantees, the Company may face the risk of being unable to obtain funding sources for business operations. Consequently, the Company will not be able to proceed according to the plan for accepting work or bidding work and also affect to the performance of the Company.

However, when the company converts from a limited company to a public company and is listed on the stock exchange market, the Company will gain more credibility from financial institutions both in terms of the statement of financial position and the internal control system of the company. Therefore, the Company will be able to seek funding from financial institutions more conveniently. Moreover, the amount of funds received from the initial public offering of newly issued ordinary shares is another way for the company to receive additional funds for business operations.





### 1.3 Management Risk

#### 1) Risk from Reliance on Key Executives

As Mr.Yodsawaee Wattanateerakitja and Mr.Santi Maneewong is the main management group and major shareholders of the Company who has been involved in the main management of the company since the beginning of the Company's establishment up to the present. Therefore, it is considered a group of people who play vital roles in the business administration. Also, they are persons who have knowledge and experience in the business of installation of building engineering systems. So, if the Company has changed the said main executive, the Company may face risks of effect on the management and performance of the Company.

Due to the awareness of such risks, The Company has established a policy for succession plans and talent management to mitigate the risk of dependence on key executives that may occur. In addition, there is an annual budget for the employees training to encourage employees to participate in training courses to develop knowledge according to various work systems as well as to increase knowledge and competency expertise and work experience of employees in each department. Moreover, the Company is open to hearing opinions for the selection of training topics from all employees to increase the efficiency of recruiting and applying for training to meet the needs of employees and work line much as possible. This will result in employees being able to deliver quality work and achieve the goals set by the company.

#### 2) Risk from Having a Group of Major Shareholders Influencing the Operation

After the offering of newly issued ordinary shares, the Company still has a group of major shareholders, namely Mr.Yodsawaee Wattanateerakitja and Mr.Santi Maneewong, who are the same group of major shareholders holding a total of 210.00 million shares or 48.84% of the paid-up capital of 215.00 million baht. Therefore, if such groups of shareholders vote in the shareholders' meeting in the same direction, they will be able to control the resolutions of the shareholders' meeting, except for topics that are required by law or the Company's Articles of Association to receive three-quarters of the votes of the shareholders' meeting. Therefore, other shareholders may not be able to gather enough votes to carry out checks and balances on matters proposed by the major shareholders.

With the awareness of such risk, 3 independent directors have been appointed from a total of 6 directors. At present, all 3 independent directors have appointed as members of the Audit Committee which will be in charge of inspecting the Company's operations and being independent to help balance the management power of the Company to a certain extent. Since the number of independent directors is half of the total number of directors, the Audit Committee and Independent Directors are independent persons, have educational background and qualifications as well as having the knowledge and ability to protect the interests of minority shareholders. Moreover, the Board of Directors has a policy to operate by taking into account the interests of shareholders and if the company is necessary to enter into a transaction







with a person who may have a conflict of interest, the Company will strictly follow the procedures for approval of related party transactions and the rules announced by the Securities and Exchange Commission of Thailand. The interested persons will not have the right to vote for such agenda.

#### 1.4 Investment Risks of Securities Holders

##### 1) **The risk that the Company's Shareholders may have Limitations on Exercising their Rights to Purchase Newly Issued Ordinary Shares of the Company in the Future**

Although a public company is not required to offer the right to purchase newly issued ordinary shares to existing shareholders first when the newly issued ordinary shares are issued. But public companies also issue various instruments including newly issued ordinary shares and other types of instruments issued by the Company such as warrants or transferable subscription rights (TSR - Transferable Subscription Right) or convertible debentures. (Convertible Bond) from time to time with the allocation to existing shareholders in proportion to their shareholding. In the case that the Company offers or grants the right to ordinary shareholders to purchase newly issued ordinary shares or rights in any form, the Company has the right to exercise discretion in proceeding with the offering of such instruments to shareholders. The Company may not offer the right to subscribe to such instruments to ordinary shareholders outside of Thailand. Besides, companies may be prohibited from offering such instruments to shareholders in certain countries. For example, the Company may not offer such rights to ordinary shareholders who are U.S. Persons within the meaning of Regulation under the Securities Act of the United States of America, 1933 (including as amended), unless (a) there is a registration statement for the sale of securities that is effective within such United States Securities Act, or Stocks subject to exemptions under the United States Securities Act. Compliance with securities laws or other regulatory requirements in some jurisdictions may prevent investors from exercising pro-rata options. It may reduce the shareholding of such investors. The Company is not obligated to apply for registration of the Company's ordinary shares in any country to allow foreign investors to be able to exercise their right to purchase newly issued ordinary shares proportionately in the future.

#### 1.5 Risks of Investing in Foreign Securities

##### 1) **Risks of Investing in Foreign Securities**

- None -





## Drive Business for sustainability

### 1. Sustainability Management Policy and Goals

The Company has established a business policy to achieve the goal of becoming one of the market leaders in the business of distributing materials and equipment and building engineering system contractors. The Company focuses on sustainable growth, ready to operate on the basis of social considerations and environment. Through the good corporate governance policy to lead to the utmost benefit to all stakeholders from employees, investors, shareholders, customers, business partners, communities and other stakeholders. The Company reviews the policy related to such sustainability management annually. The details are in the related policies as follows:

#### The principles of good corporate governance

##### Defining objectives and main goals of the Company

The Company has set objectives and main goals of the Company, which is sustainable by the Board of Directors will set or supervise the objectives and main goals of the Company (Objectives) to be sustainable. It is the objectives and goals that are consistent with creating value for the entire company, employees, customers, stakeholders, shareholders and society as follows:

- 1) The Board of Directors will require the Company Have objectives or main goals (Objectives) that are clear, appropriate, can be used as the main concept in determining the business model (Business Model) and communicate to everyone in the organization moving in the same direction by forming a vision and the organization's shared values (Vision and Values) or its Principles and Purposes or others similarly.
- 2) Achieving objectives or main goals The Board of Directors will determine a business model (Business Model) that can create value for both the Company and the Company's stakeholders and society altogether.
- 3) The board will promote the organization's values in good corporate governance.
- 4) The board will promote communication and strengthen the objectives and goals of the organization in the decision-making and operations of personnel at all levels. Until it becomes a corporate culture

##### Setting objectives and goals as well as medium-term and annual strategies of the Company

The board will supervise objectives and goals as well as a medium-term strategy and the Company's annual consistent with the achievement of the objectives and main goals of the Company. The technology has been used appropriately and safely as follows:

- 1) The Board of Directors shall supervise the preparation of annual strategies and plans that are consistent with the objectives and main goals of the Company and encourages the preparation or review of objectives, targets and strategies for the medium term of 3-5 years as well to ensure that the annual strategies and plans take into account the effects in a longer period.

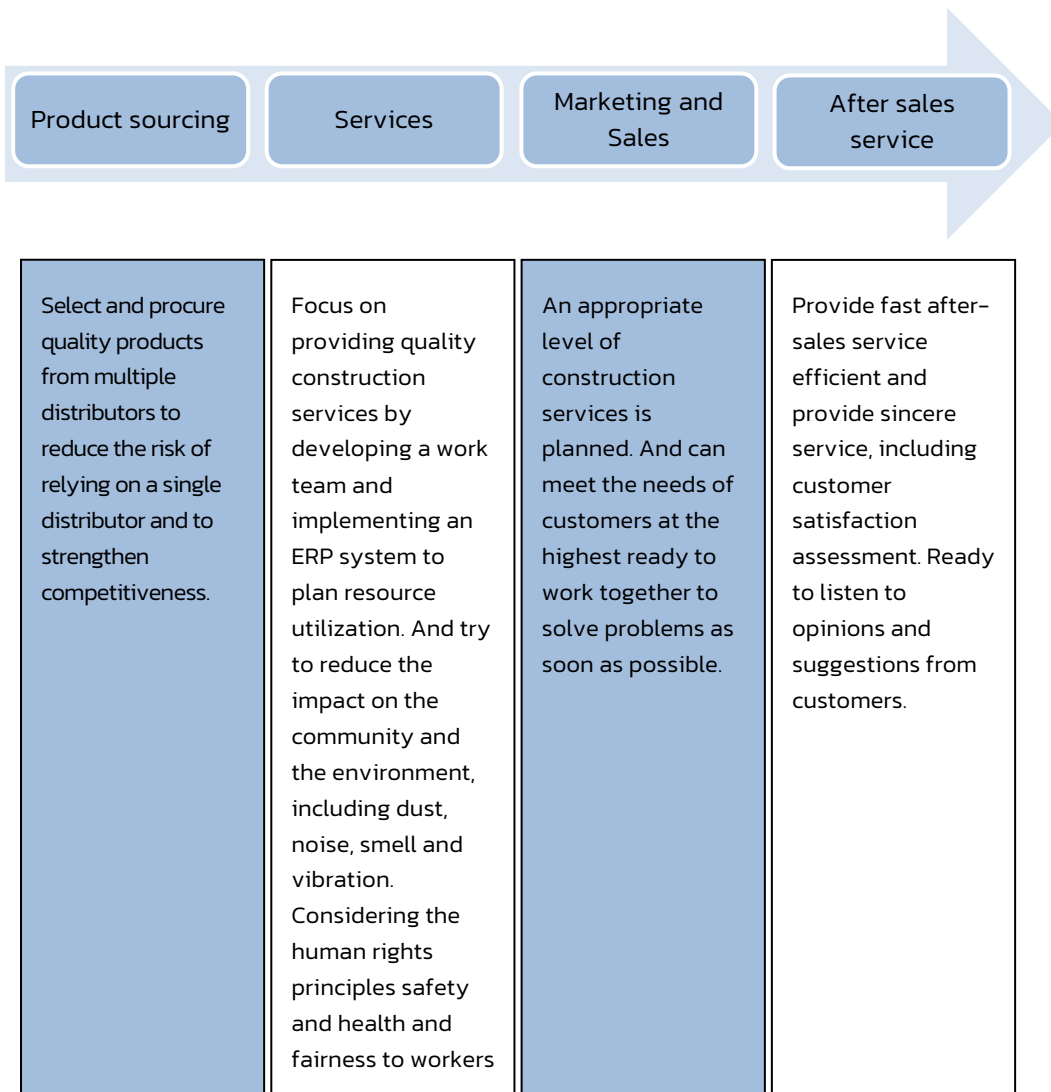




- 2) Determine annual strategies and plans the board will ensure that the environment is analyzed. Various factors and risks that may have an impact on stakeholders involved along the value chain, including various factors that may affect the achievement of the Company's main goals It has a mechanism that truly understands the needs of stakeholders.
- 3) The board will set goals that are appropriate to the business environment and the potential of the Company. Be aware of the risks of targeting that could lead to illegal conduct. or lack of ethics (unethical conduct)
- 4) The board oversees the transfer of objectives and goals through strategies and plans across the organization.
- 5) The board will supervise the allocation of resources. and controlling appropriate operations and monitoring the implementation of strategies and annual plans.

## 2. Impact on stakeholders in the business value chain

### 2.1 Business value chain





## 2.2 Results of Stakeholder Engagement

Stakeholder	Engagement approach	Engagement objective	Management approach
Shareholders / Investors / Analysts	<ul style="list-style-type: none"> <li>• Arrangement of the shareholders' meeting</li> <li>• Quarterly Performance Presentation</li> <li>• Analyst Meeting (Quarterly)</li> <li>• Activities of listed companies meet investors.</li> <li>• Invite investors to visit the factory</li> </ul>	<ul style="list-style-type: none"> <li>• Good return</li> <li>• Good corporate governance</li> <li>• The business is stable and growing continuously.</li> <li>• Company information that has been correct, complete, up-to-date, transparent</li> <li>• Risk management system</li> <li>• Good monitoring and control system</li> </ul>	<ul style="list-style-type: none"> <li>• Overseeing the business with transparency, fairness, and verifiability.</li> <li>• Proper dividend payment</li> <li>• Transparent disclosure</li> <li>• Make a strategic business plan</li> <li>• Manage risks prudently</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Visit Customer</li> <li>• Close coordination with customers</li> <li>• Customer satisfaction survey</li> <li>• Give customers the opportunity to inquire about product and service information.</li> <li>• Activities with customers</li> </ul>	<ul style="list-style-type: none"> <li>• Get accurate information about products and services.</li> <li>• The product price is appropriate.</li> <li>• Price competition is transparent.</li> <li>• Get quality products and services.</li> <li>• Products and services are guaranteed.</li> <li>• Can solve problems as soon as possible.</li> <li>• Maintain confidentiality of customer information.</li> </ul>	<ul style="list-style-type: none"> <li>• Overseeing the business with transparency, fairness, and verifiability.</li> <li>• Anti-Corruption Policy</li> <li>• Quality management with ISO9001 system</li> <li>• Code of Conduct for Confidentiality of Customer Data</li> <li>• Improve the quality of services and be able to meet the needs of customers.</li> </ul>
Partner	<ul style="list-style-type: none"> <li>• Contact to buy products / use services from business partners.</li> <li>• Supplier satisfaction assessment</li> <li>• Activities with partners</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulations and requirements regarding the Company's procurement</li> <li>• Conduct business together with transparency, fairness, and equality.</li> <li>• Maintain confidentiality of partner information.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the efficiency of work processes related to procurement.</li> <li>• Maintain confidentiality of partner information.</li> </ul>





Stakeholder	Engagement approach	Engagement objective	Management approach
Employees	<ul style="list-style-type: none"> <li>Communicate relevant information through communication channels. and with an appropriate frequency</li> <li>Assessment of employee satisfaction</li> <li>Hearing and suggestions through various channels of the Company</li> </ul>	<ul style="list-style-type: none"> <li>Good return, opportunity to advance in job and company stability</li> <li>Suitable working environment and space. There are sufficient equipment used in the operation and in a ready-to-use condition. This includes welfare and safety in operations.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage employees to develop their skills and knowledge continuously. according to the human resource development plan</li> <li>Set regulation and safety practices and occupational health in the workplace and promote good health of employees</li> <li>Create a Succession Plan for career path in various important positions</li> </ul>
Society and Community	<ul style="list-style-type: none"> <li>Conduct business with consideration of potential impacts on society and communities and are responsible for surrounding community society.</li> <li>Hearing and suggestions through various channels of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce environmental impacts on surrounding communities.</li> <li>Safe to produce according to the specified safety standards.</li> <li>Participate in community development, create jobs and income to create stability for people in surrounding communities.</li> </ul>	<ul style="list-style-type: none"> <li>Operate according to safety practices and occupational health at work.</li> <li>Increase the efficiency of resource utilization and reduce the impact of greenhouse gas emissions.</li> </ul>

### 3. Sustainability Management in Environment Dimensions

The Company pays attention to quality, safety standards environmentally conscious It is committed to reducing environmental impacts in various aspects, covering energy consumption, water consumption, renewable resource use. Discharge and management of waste arising from business operations greenhouse gas emissions arising from the construction process by defining principles in the good corporate governance policy and social responsibility policy.

#### 3.1 Key Sustainability Environmental Performance

##### Power Consumption

The Company is committed to reducing the use of electricity that is the main energy in the office building by setting a policy to reduce the use of electricity in the office, for example, turning off the light switch, turning off the air conditioner during lunch time and scheduling the shutdown of electrical appliances in the office. Specified time after work and during holidays, etc. In addition, it also instills awareness by campaigning for employees to unplug







electrical appliances that are not in use to reduce electricity consumption as another channel which helps reduce global warming in another way.

#### Garbage, Waste and Pollution Management

The Company focuses on reducing the generation of garbage, waste, and pollution from the construction process. The quality of waste disposal, waste, and all pollutants such as heat, light, noise, chemicals, and dust are assessed annually. The Company has complied with the standards specified by the relevant laws.

#### Management to Reduce Greenhouse Gas Problems

In addition to optimizing the use of resources economically and cost-effectively to reduce the impact of greenhouse gas emissions The Company is in the process of studying more details to determine appropriate regulation to reduce greenhouse gas emissions.

## 4. Sustainability Management in Social Dimensions

### 4.1 Social Policy and Practice

Corporate social responsibility means operating business regarding stakeholders, economy, society and the environment with morality, and ethics, as well as having good governance in operating business with honesty, transparent fair and can be checked the Company operates its business with responsibility to society, environment, and stakeholders. According to the regulation for social responsibility of the Stock Exchange of Thailand by setting policies and regulation for the Company to use as part of the management of business processes. (CSR-in-Process) as follows:

#### Operating business with fairness

The Company has set regulation for taking care of stakeholders in the business ethics handbook. Taking into account the responsibility to stakeholders from shareholders, employees, customers, partners, contract parties, communities, society and the environment. It also promotes free trade competition, avoids actions that may cause conflicts of interest and intellectual property infringement, against all forms of corruption. The growth of the Company will go hand in hand with the improvement of the quality of life of employees, community and society by laying out the following regulation.

1. Avoid any action that may cause a conflict of interest. or if it is found that there is a conflict of interest should provide Fair mediation process with full disclosure of important information
2. Promote free trade competition avoid behavior nepotism or conspired together
3. Do not support actions that infringe intellectual property or copyright.
4. Set up a management system that can prevent bribery and corruption or can be inspected without delay, including a process effective problem solving along with providing fairness if such a case occurs.
5. Campaign for directors, executives, and employees to realize the importance of anti-corruption. including extortion and bribery in all its forms





### Anti-Corruption

The Company gives importance to anti-corruption in all forms with an emphasis on promoting morality create consciousness and correct values in the operation The Company therefore sets out anti-corruption regulation and communicates them to directors, executives, and employees for their acknowledgment. To create knowledge and understanding and strict compliance as follows:

1. Raise awareness, values, and attitudes for employees in performing their duties according to laws and regulations with honesty.
2. All directors, executives and employees must perform their duties in accordance with the anti-corruption policy without being involved in corruption, whether directly or indirectly and should not be neglected or ignored when encountering an action that fall into the corruption network related to the Company.
3. Provide an efficient and effective internal control system. There are appropriate checks and balances in the exercise of power. To prevent corrupt employees or involvement in various corruption
4. Set up an effective internal audit system covering finance and accounting. To ensure that such financial transactions are accurate, transparent, and verifiable.
5. Company directors, executives and employees are prohibited from taking any action that is a claim. or accept property or any other benefits For oneself or others that indicate in a way that motivates them to practice or omitting to perform duties in a wrongful way or may cause the Company to lose legitimate benefits
6. Set principles for giving or accepting gifts, things or entertainment that may lead to suspicion of fraudulent or bribery behavior. If receiving a gift, it should be reasonable and must not be cash or cash equivalents and must be aware that any action must be transparent and accountable.
7. Set up procurement regulations disbursement or making any contracts, each step must have clear supporting evidence and appropriately and concisely set the approval authority.
8. Company directors, executives and employees are prohibited from giving or offering to give assets or any other benefits to third parties to induce that person to act or omit any action that is against the law or wrongful to one's position.

### Respect for human rights and fair labor practices

Respecting human rights means treating stakeholders, community and surrounding society with respect for human values and not violate their fundamental rights. The Company intends to respect and not violate human rights with the following regulation:

1. Support and respect the protection of human rights by constantly checking Ensure that their businesses are not involved in human rights abuses.
2. Encourage monitoring of human rights compliance. within their business and encourage compliance with human rights principles according to international standards The business's responsibility for human rights extends to its affiliates, joint ventures, and partners.
3. The Company will treat all company personnel equally. Do not discriminate, do not discriminate on origin, race, gender, age, skin color, religion, physical fitness,





status, family, educational institution or any other status that is not directly related to the work.

4. The Company provides opportunities for all company personnel to show their full potential by arranging appropriate compensation and create motivation to work Both in the form of salary, bonus, and appropriate operating expenses according to the Company's regulations. It also gives the opportunity to personnel of the Company. Study more both at the tertiary level and training for both short and long term
5. All employees must perform their responsibilities to the best of their abilities, honesty, fairness, adhering to virtue Do not delegate their duties to any person to act on their behalf. whether directly or indirectly, unless it is necessary or for quick convenience in tasks that do not require their specific abilities
6. Employees must work according to the chain of command Receive orders and take direct responsibility to their superiors. Never cross the chain of command unless necessary. Avoid criticizing your superiors and associates who may cause damage to that person or to the Company. However, the personnel of the Company will open the opportunity and open their hearts to listen to the opinions of their subordinates and colleagues consciously without prejudice and listening to reason and effect.
7. Employees can use the resources, labor, premises, and facilities of the Company in full duty, do not use resources, labor, places, and facilities for anything other than the performance of duties or welfare for which they are entitled.
8. Employees must have polite manners dress appropriately for the occasion and behave appropriately with their duties local customs without damaging the image of the Company
9. Employees can use name and their position to raise money for charities organized by the Company. But do not use the name of the Company. or position in the Company in private solicitation for any purpose
10. Employees should cooperate in activities organized by the Company to create unity, helping each other, including social activities organized by the Company.
11. Employees are prohibited from taking actions that cause trouble, annoyance, discourage others, cause enmity or interfere with work that looks like sexual harassment, regardless of the Company's personnel or outsiders who come in contact with the business including sexual harassment Flirting, molestation, indecency and the possession of pornographic images both verbally and tactily.





### Responsibility to customers and consumers

The Company recognizes the importance of human resource development and fair treatment of labor. This is a factor that will increase the value of the business and strengthen the competitiveness and sustainable growth of the Company in the future. Stable, the Company has therefore set a policy to protect the rights and good practices towards personnel. To promote a better quality of life at work Motivation to work and develop the potential to work fully and continually as well as paying attention to the welfare Improving the way it works workplace and provide protective equipment in accordance with Thai labor laws strictly the Company has established policies and regulation as follows.

1. The Company is committed to product development and complete service Fast, quality service to meet the needs of customers and consumers continuously, the Company's personnel must be dedicated to meet the needs of customers. and consumers fully with reasonable price Up to date with quality, not limiting consumer rights and have fair conditions for consumers
2. The Company must not do anything deceptive or make me believe in the quality of the product and services of the Company that may exaggerate.
3. The Company is committed to developing safety in the use of its products and services. The safety of consumers is of paramount importance. The Company requires a warning sign. Inspect safety in workplaces, conduct campaigns and train employees on safety for consumers strictly and continuously.

### Environmental conservation

The Company has given importance to all aspects of social responsibility. In particular, the potential impact on the environment from the Company's business operations as well as instilling good conscience among employees. Including creating an organizational culture by creating employees' consciousness to love and cherish natural resources and the environment of the community and the nation. In this regard, the Company has implemented and taken actions to reduce the impact on the environment as follows:

1. The Company promotes safety as an important matter by preparing requirements and standards for quality, safety, occupational health, and environment. with measures not less than those required by law in accordance with international standards company personnel must study and strictly comply with relevant laws, policies, requirements and standards of quality, safety, occupational health and environment
2. The Company will take every possible action to control and prevent losses in various forms due to accidents, fire, injuries, or illness from work. Lost or damaged property breach of security system improper operation and errors that occur as well as maintaining a safe working environment for the Company's personnel and regularly rehearsing the security plan. It is the responsibility of executives and employees to report accidents and incidents in accordance with established procedures.
3. The Company has a plan to control and prevent emergencies in all operating areas. There is an organizational emergency and crisis management plan. To prepare for handling various emergencies that may occur, such as fires, and to





prepare for other crises. that may cause business operations to be interrupted damage the reputation and image of the organization

4. The Company will provide public relations and communication to create knowledge and understanding and disseminate information to the Company's personnel. as well as relevant stakeholders to know and understand the policies, rules, procedures, practices and precautions in terms of quality, safety, occupational health and the environment, as well as to be properly adhered to without causing harm to health, property and the environment
5. The Company is committed to participating in social responsibility in terms of quality, safety, occupational health and environment. Serious and continuous utilization of natural resources for maximum benefits by realizing the importance of the environment and the safety of stakeholders involved, as well as promoting social activities to preserve the environment and improve the quality of life of people in the community according to sustainable development principles.
6. If any operation is unsafe or may not comply with the requirements and standards of quality, safety, occupational health and environment or found that the operation has serious environmental impacts have the Company's personnel stop working as far as possible to notify colleagues commander and responsible agencies to take corrective action or plan to correct further work is strictly prohibited.

#### Community and Social Development

The Company is a Company that lives in society without separation from society. Therefore, the Company is inevitably responsible for the development. and return profits to the community and society as a whole so that the Company grows sustainably according to the development of society The Company regards it as a duty and main policy to give importance to community and social activities by focusing on the development of society, community, environment, and religious preservation. Create and conserve natural resources as well as support education for young people and support public activities for underprivileged communities. to be a strong, self-reliant community the regulation are as follows:

1. The Company aims to understand Communicate with society up to status and facts on the operations of the Company. The Company's responsibility to the community and society as a whole and the Company's responsibility in the environment without concealing facts that may be disclosed cooperate in providing information to investors, shareholders and the general public in a timely manner.
2. The Company seriously and continuously strives to participate in social responsibility in terms of quality, safety, occupational health, and environment in the utilization of natural resources for maximum benefit. By realizing the importance of the environment and the safety of stakeholders involved, as well as promoting social activities to preserve the environment and improve the quality of life of people in the community according to sustainable development principles.







3. The Company will consider alternatives to exploit natural resources with the least impact on society, environment, and people's quality of life. along with supporting the reduction of energy consumption and resources
4. The Company instills awareness of social and environmental responsibility in its personnel, all levels continuously give importance to transactions with business partners who have the same intentions as the Company regarding social and environmental responsibility. To be a leader in promoting efficient use and conservation of energy for the benefit of future generations.
5. The Company will return part of the profits for activities that will contribute to society and the environment on a regular basis. The activities to be undertaken must be appropriate activities create benefits for the community, society, and the environment. If you choose to donate the recipient information will be checked to ensure that it is effectively used for charity and effectiveness really benefit, every donation will be collected for evidence.
6. The Company places importance on social responsibility in all aspects, especially the impact that may occur on the environment from the Company's business operations. as well as instilling a good sense of consciousness in the Company's employees in giving importance to and helping each other to take care of the environment both inside and outside the organization.

**Twenty Four for Society – Build a pavilion for Buddhists  
Sanmafan Temple , Tha Ko, Mae Suai District, Chiang Rai  
October 2022**





**Twenty Four for Society – Build a temple for Buddhists to use for religious ceremonies.  
Huai Burapha Temple , Huai Chan, Khun Han District, Si Sa Ket  
2020 – 2022**



**Twenty Four for Society – Kathin for Development  
Huai Burapha Temple , Huai Chan, Khun Han District, Si Sa Ket  
November 2022**





4.2 Social Performance

Total Employees end of 2022	85 persons
Total Male employees	63 persons
Total Female employees	22 persons
Number of employees who received at least one training course	85 persons
The number of incidents of work-related injury of employees to the point of time off.	There were no incidents of work-related injuries of employees leading to absence from work.
Major labor disputes	No labor disputes

5. Reports

The Company has a policy to summarize its social responsibility performance and report to the Board of Directors annually. To provide a framework for work, budget, and suitability for the Company's operations. It will be disclosed in the annual information disclosure form (Form 56-1 One Report) and the Company's annual report.







# Management Discussion and Analysis: MD&A

## 1. Business Overview

Twenty-Four Con & Supply Public Company Limited ("24CS" or "the Company") operates as an importer and distributor of heating ventilation and air conditioner equipment for leading international brand, TROX. Moreover, the Company is also a distributor of heating ventilation and air conditioner equipment for various well-known brands such as TRANE, AAF, and KRUGER HONEYWELL, etc. Furthermore, in order to provide a one-stop services for clients, the Company also provides the engineering system installation services for building, and the turnkey construction services.

The engineering system installation services of the Company are including (1) Heating Ventilation and Air Conditioning System (2) electrical and communication systems (3) Sanitary and fire protection systems, (4) Installation of sound insulation. The Company also provides the other construction services, related to the Company's main business activities such as civil and architectural work. These supporting services could substantially help facilitating clients and help the Company to become a turnkey contractor. Owing to the Company's expertise, long experience, and trustworthiness from clients in the installation of heating ventilation and air Conditioning system, most of the Company's engineering system installation services for building are in the form of subcontract for the installation of heating ventilation and air Conditioning system. However, with the current potentiality of the Company's engineering team, the Company, therefore, expects to offer products and provides turnkey construction services to clients in order to effectively respond to the clients' need, and to deliver the high standard of the quality product within the agreed time frame. These activities will help the Company gains trust from the clients who interested in the Company's engineering system installation services. The Company's clients mostly are the Main Contractors who proficiently manage the mega infrastructure projects such as electric train system, airport construction, power plant, power plant substation and office buildings.

## 2. Performance analysis

### Total Revenue

The Company's revenue could be separated into 1) Revenue from construction work which includes the engineering system installation services for building and other related work 2) Revenue from sales of goods including the materials and equipment for heating ventilation and air Conditioning system, and other related materials. On top of that, the Company is also an agent and distributor of heat ventilation and air conditioner of leading international brands such as TRANE, TROX, AAF, KRUGER, HONEYWELL, etc, and 3) Other revenue which includes the asset sale, interest received, and the scrap sale. To sum up, majority of the Company's revenue are mostly from the revenue from the engineering systems installation services and the revenue from sales of materials and equipment.

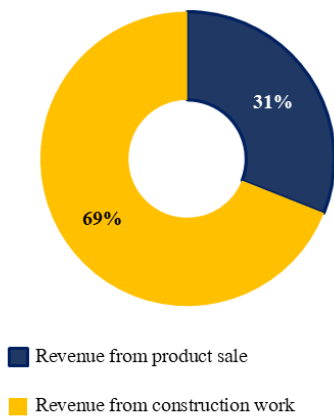




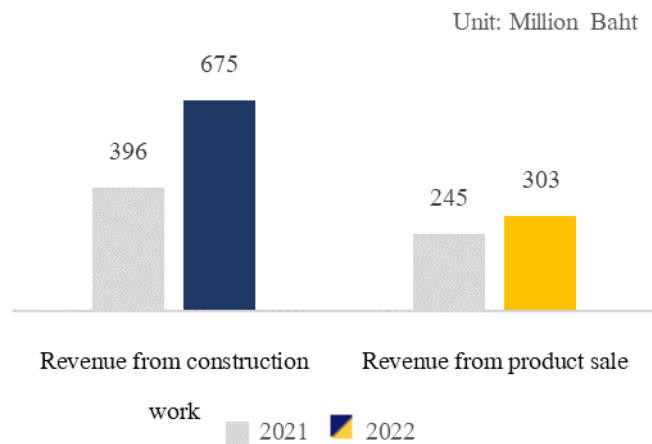
For the year 2022, the Company’s revenue from construction work and sales of materials and equipment equaled to 978.57 MB, accounting for the increases of 337.09 MB or 52.55 % from the same period last year. This was owing to 1) the change in the Company’s business plan to mainly focus on the mega project, 2) the recovery of the construction industry, affected by government lockdown policy from the COVID-19 situation in 2021, and 3) the various new construction projects launch from private sector which enhances the revenue from sales of materials and equipment. The proportion of the revenue from construction works and products sale for the year 2022 are 69 % and 31 %, respectively, in which the proportion of revenue from sales of materials increased from the same period previous year, which are 62% and 38%, respectively.

The revenue from construction and revenue from sales of goods

Total Revenue for the year 2022



The Revenue Structure for the year 2022 & 2021



Revenue from construction

The Revenue from construction mostly comes from the revenue from building engineering systems installation services and other related the revenue from construction. The revenue recognition could be separated into 1) the revenue from the initial amount as agreed upon the contract, and 2) the revenue or discount from the adjustment or claim against the main contract. This adjustment will be recognized only if the possibility of the adjustment is quite certain, and could be measured reliably The revenue and construction cost will be recognized in the statement of comprehensive income through the stage of completion method. The stage of completion will be based on the ratio of the construction cost incurred of the completed work to date divided by the estimated total construction cost.

The Company’s revenue from construction work for the year 2020 to 2022 were 156.85 MB, 396.26 MB, and 675.14 MB, respectively, accounting for the increase of 152.63 % from the year 2020, and 70.38 % from the year 2021.







In 2021, the Company's revenue from construction work was equaled to 396.26 MB, accounting for the increase of 239.41 MB or 152.63 % from the same period last year. This was owing to the increase in paid-up capital from 25 MB to 150 MB which increased the Company's working capital to be able to operate more business activities. In addition, the Company started to change its business plan to focus on the mega project which caused the Company to win the 5 mega projects bidding, which were 1) Zone Z: Government Complex with the project value of 430 MB, 2) JLK Tower Sukhumvit with the project value of 280 MB, 3) Plexus-NMC EMS Plant with the project value of 143 MB, 4) Rattanaaburi power plant substation with the project value of 130.07 MB, and 5) Central World – Air Conditioner with the project value of 62.04 MB. While, the Company has the under-construction projects and the recognition of revenue in 2021 of around 17 projects, which is higher than the same period last year of around 10 projects. The Company's 2021 revenue was comprised of the revenue from the projects of which are newly signed the construction contract in 2021, including 1) Zone Z: Government Complex, 2) JLK Tower Sukhumvit, 3) Plexus-NMC EMS Plant, 4) Rattanaaburi power plant substation, and 5) Central World – Air Conditioner, and the revenue from the previous year backlog, mostly, from MRT – Park & Ride Pink Line project

In 2022, the Company's revenue from construction was equaled to 675.14 MB accounting for the increase of 278.88 MB or 70.38 % from the same period last year. This was owing to continuously focus on the mega projects which caused the Company to be able to acquire new mega projects. The Company's 2022 revenue was comprised of the revenue from the projects of which are newly signed the construction contract in 2022, including 1) Ministry of interior construction project with the project value of 394.50 MB, and 2) TUM building system construction project with the project value of 270.00 MB, and the revenue from the previous year backlog, from MRT – Park & Ride Pink Line project 1) Zone Z: Government Complex, 2) JLK Tower Sukhumvit, 3) Plexus-NMC EMS Plant, and 4) Rattanaaburi power plant substation.

#### Revenue from sales of goods

Revenue from sales of goods mostly comes from the selling of heating ventilation and air Conditioner, and other related materials to other subcontractor, main contractor, and the project owner in which the Company agreed the project owner to only purchase the product from the Company. The Company's revenue from sales of materials and equipment for the year 2020 to 2022 were 244.59 MB, 245.21 MB, and 303.43 MB, respectively, accounting for the increase of 0.26 % from the year 2020, and 23.74 % from the year 2021. The increase in revenue from sales of materials and equipment of the year 2021 and 2022 was mainly from the recovery of the construction industry, affected by government lockdown policy from the COVID-19 situation in 2021. Especially, in 2022, the increase in new construction projects, launch by private sector also enhances the revenue from sales of materials and equipment to be increase.





### Other revenue

The Company's other revenue mostly comprised of the revenue from asset sales, interest received, scrap sales, and etc. The Company's other revenue for the year 2020 to 2022 were 0.72 MB, 0.64 MB, and 3.70 MB, respectively, accounting for the 0.18 %, 0.10 %, and 0.38 % of the Company's total revenue, respectively.

Table 1: The Company's revenue structure by nature of business for the year of 2020 – 2022

Revenue Structure	2020		2021		2022	
	MB	%	MB	%	MB	%
1) Revenue from construction	156.85	39.00	396.26	61.71	675.14	68.73
2) Revenue from sales of goods	244.59	60.82	245.21	38.19	303.43	30.89
Revenue from sales and services	401.44	99.82	641.47	99.90	978.57	99.62
Other revenue	0.72	0.18	0.64	0.10	3.70	0.38
Total revenue	402.16	100.00	642.11	100.00	982.27	100.00

### Cost of Construction, cost of sales of goods, gross profit, and gross profit margin

#### Cost of Construction

The Company's cost of construction comprises of 1) the raw material, 2) Sub-contractor, 3) Labor, and 4) other overhead cost.

For the year 2020 – 2022, the Company's cost of construction were 137.88 MB, 348.96 MB, and 591.63 MB, respectively, accounting for the 87.90 %, 88.06 %, and 87.63 % of the Company's revenue from construction, respectively. While the Company's gross profit from construction for the year 2020 – 2022 were 18.97 MB, 47.30 MB, and 83.51 MB, respectively, accounting for the gross profit margin of 12.10 %, 11.94 %, and 12.37 %, respectively. Owing to the project selection policies to select only the project which had the appropriate gross profit margin, the Company, therefore, is able to maintain its gross profit margin for the period 2020 – 2022 to be in the range of 11.94 – 12.37 %. Moreover, the Company is able to efficiently control its construction cost through the cooperation experience from the previous projects, which caused the Company to proficiently manage the construction plan, and labor force allocation. This results in the reduce in the construction period and enhance the efficiency of work. Therefore, the ratio of the subcontractor cost to the revenue from building engineering systems installation services for the period of 2020 – 2022 which were 44.49 %, 8.33 % and 21.06 %, respectively, were below the construction budget of the Company. Furthermore, the reason, which the Company is able to maintain its competitiveness in terms of gross profit margin, is owing to its competitiveness of its raw materials and equipment since the Company is also a distributor of Heating Ventilation and Air Conditioner. This caused the Company to be able to procure this main equipment at low price.





Table 2 : The details of the Company's construction costs for the period of 2020 – 2022

Cost of construction work and services	2020			2021			2022		
	MB	% to total cons cost	% to cons revenue	MB	% to total cons cost	% to cons revenue	MB	% to total cons cost	% to cons revenue
Raw materials Cost	64.70	46.92	41.25	310.73	89.05	78.41	431.21	72.88	63.87
Subcontractor Cost	69.78	50.61	44.49	33.00	9.46	8.33	142.18	24.03	21.06
Labor Cost	2.10	1.53	1.34	1.75	0.50	0.44	10.64	1.80	1.58
Transportation Cost	0.46	0.34	0.29	0.32	0.09	0.08	0.88	0.15	0.13
Depreciation Cost	0.19	0.14	0.12	0.29	0.08	0.07	0.21	0.04	0.03
Other Service Cost <sup>1/</sup>	0.65	0.47	0.41	2.86	0.82	0.72	6.51	1.10	0.96
<b>Total</b>	<b>137.88</b>	<b>100.00</b>	<b>87.90</b>	<b>348.95</b>	<b>100.00</b>	<b>88.06</b>	<b>591.63</b>	<b>100.00</b>	<b>87.63</b>

Remark: 1/ Other Service Cost comprises of the miscellaneous expense, disposable item expense, transportation expense, fee, and maintenance expense.

#### Cost of sales of goods

Cost of sales of goods mostly are 1) raw materials cost 2) labor cost, 3) importation cost, and 4) other overhead cost.

For the year 2020 – 2022, the Company's cost of sales of goods were 216.68 MB, 214.74 MB, and 278.43 MB, respectively, accounting for the 88.59 %, 87.57 %, and 91.76 % of the Company's revenue from sales of goods, respectively. While, the Company's gross profit from sales of goods for the year 2020 – 2022 were 27.91 MB, 30.47 MB, and 25.00 MB, respectively, accounting for the gross profit margin of 11.41 %, 12.43 %, and 8.24 %, respectively. The drop in 2022 gross profit was mainly from the increase in the raw material cost of both heating ventilation and air conditioner which are the major products in which the Company sold to building and factory construction contractor. In addition, the depreciation in THB in 2022 caused the higher import product cost.

#### Selling and administration expense

The Company's major selling and administration expense were the staff expense auditing expense consultation fee, professional fee, office service fee and depreciation expense.

For the year 2020 – 2022, the Company's Selling and administration expense were 36.00 MB, 50.27 MB, and 75.60 MB, respectively, accounting for the 8.97 %, 7.84 %, and 7.73 % of the Company's revenue from sales and services, respectively. In 2021, the Company's selling and administration expense increased 14.27 MB or 39.63 % from the same period last year. This was owing to increase in sale staff expense, accounting fee and board of director meeting allowance. In 2022, the Company's selling and administration expense continuously increased 25.33 MB or 50.39 % from the same period last year. This was due to the increase in staff expense from the yearly salary increase, consultation and public relation fee for listing in SET fee, and computer program expense.





Table 3: Selling and administration expense for the period of 2020 – 2022

Selling and administration expense	2020		2021		2022	
	MB	%	MB	%	MB	%
Staff expense	15.07	41.85	27.00	53.72	45.41	60.07
Depreciation expense	6.02	16.73	6.38	12.69	7.10	9.39
Professional and consultation fee	2.11	5.85	5.18	10.30	6.43	8.50
Other expenses <sup>1/</sup>	12.80	35.57	11.71	23.29	16.66	22.04
<b>Total</b>	<b>36.00</b>	<b>100.00</b>	<b>50.27</b>	<b>100.00</b>	<b>75.60</b>	<b>100.00</b>
Selling and administration expense to revenue from sales and services ratio	8.97		7.84		7.73	

Remark:

1/ Other expenses includes selling expenses, office service fee, training and seminar fees, utilities fee, telephone fees, computer expenses, insurance premiums expenses, etc.

### Doubtful debts and allowance for doubtful debts

Doubtful debts and allowance for doubtful debts presents the ability to repay debts from the Company’s trade accounts receivable, and retention receivable. To book the allowance for doubtful debts of the Company, management team will uses their judgment and historical data such as past collection experience, debts aging, and economic conditions to estimate the allowance for doubtful debts. As of 31 December 2019, the Company booked the allowance for doubtful debts of around 2.30 MB from 2 debtors while on the 31 December 2020 – 2022, the Company had no additional allowance for doubtful debts.

### Financial cost

Financial cost mostly was the interest payment for the business operation. For the period of 2020 – 2022, the Company’s financial cost were 0.89 MB, 2.49 MB, and 5.07 MB, respectively, accounting for 0.22 %, 0.39 %, and 0.52 % of the revenue from sales and services. Financial insitutions are major creditor of the Companys, and Most of loans were for commercial purposes such as letter of guarantee fee, overdraft, hire purchase, and long-term loans.

### Net profit

For the year 2020 – 2022, the Company’s net profit were 6.94 MB, 19.46 MB, and 24.49 MB, respectively, accounting for the 1.73 % 3.03 %, and 2.49 % of the Company’s total revenue, respectively. In 2022, the Company’s net profit increased 5.03 MB from the same period last year. This increase in net profit was align with the increase in the Company’s total revenue owing to leniency of the COVID-19 situation, caused the Company’s construction progress to be back on track, and the increase in demand for the heating ventilation and air conditioner. In addition, the change in the Company’s net profit margin was from various factor such as the fix cost from back office staff, and other fix cost. Therefore, to maintain the high and positive net profit margin, the Company needs to recognize enough revenue from construction to cover all of its fixed cost.





## Financial position analysis

### Assets

As of December 31, 2020 to 2022, the company has total assets of 143.46 million baht, 411.92 million baht and 1,018.86 million baht respectively. The increase in total assets as of December 31, 2022 compared to the year as of December 31, 2021 in the amount of 606.94 million baht was mainly due to an increase in cash and cash equivalents from the initial public offering of ordinary shares, an increase in assets arising from contracts in the amount of 225.99 million baht and trade and other receivables in the amount of 82.60 million baht. This is in line with the increase in revenue from sales of goods and construction, while as of December 31, 2021, the company's total assets increased compared to December 31, 2020 in the amount of 268.46 million baht. The main cause of the increase was cash from an increase in registered capital in the amount of 50.12 million baht, construction receivables in the amount of 57.56 million baht, assets from contracts in the amount of 118.31 million baht, which was in line with the expansion of construction revenue.

### Cash and cash equivalents

As of December 31, 2020 – 2022, the company's cash and cash equivalents amounted to 2.75 million baht, 52.87 million baht and 214.67 million baht, representing 1.92%, 12.83% and 21.07% according to total assets, respectively. The increase in cash and cash equivalents as of December 31, 2022 from December 31, 2021 was mainly due to an increase in cash flows from financing activities amounted to 364.34 million baht which mainly from the initial public offering of ordinary shares and cash outflow from operating activities decreased by 195.06 million baht which mainly due to an increase in assets arising from contracts and trade payables.

While cash and cash equivalents as of December 31, 2021, which increased from December 31, 2020, were mainly due to the company's cash inflow from the capital increase of 93.75 million Baht.

### Trade and other receivables

The company's trade and other receivables consist of receivable from sales of goods, construction contract receivables and advance payments to contractors, etc. As of December 31, 2020 – 2022, the company has trade and other receivables totaling 74.78 million baht, 136.90 million baht, and 219.50 million baht, respectively, representing 52.12 %, 33.23 %, and 21.54 % of total assets, respectively. The company will recognize trade accounts receivable according to the invoices issued for collecting according to the completed work after delivery. In general, the company has a policy to give credit terms to customers of 30 – 60 days. If considering from the table showing the age of trade accounts receivable of the company, it was found that most of the accounts receivable of the company are not yet due or are past the due date of less than 30 days, most of which are due to the mismatch of the payment period and customer cheques, causing the payment to be delayed.







Trade and other receivables – net in 2022 increased from 2021 in the amount of 82.60 million baht or 60.34 % which varies directly with the project value that the company is under construction and delivered more jobs in line with revenue from construction work, especially the receivables of the project that started in 2022, while the company has no new receivables overdue 6–12 months and more than 12 months.

The company's net trade receivables as of December 31, 2021 increased from December 31, 2020 in the amount of 57.22 million baht or 78.18 %. The company has receivables overdue no more than 3 months in the amount of 129.89 million baht and there are no receivables overdue 3 – 6 months, but there are receivables overdue 6 – 12 months in the amount of 0.52 million baht. Such overdue payment of 6 – 12 months was caused by a late payment of an one receivable. However, the Company considered and expected that it would be able to collect money from such customer because it was a well-known customer, good financial position record, in which the collection of payment is pending due to the COVID-19 situation, therefore, there is no additional allowance for doubtful debts.

In 2021, the company has started to implement TFRS 9 on financial instruments, by using a simplified approach for measuring expected credit losses from receivables. By considering the expected credit losses from accounts receivable, the management has grouped these receivables according to their common credit risk and by the period of maturity. Owing to the construction receivable has not yet been collected and the risk profile is similar to that of the receivable for the same type of contract, the management applies the credit loss rate of accounts receivable to unbilled construction receivables. However, for the purpose of analyzing the financial information, the company has prepared the age of trade accounts receivable for comparison, which can be shown as follows.

Table 4: Age of trade accounts receivable

Age of trade accounts receivable	31 Dec 2020		31 Dec 2021		31 Dec 2022	
	MB	%	MB	%	MB	%
not yet due	21.65	29.58	41.39	31.74	89.86	42.66
Overdue						
no more than 3 months	51.54	70.42	88.49	67.86	112.07	53.20
3 – 6 months	–	–	–	–	8.57	4.07
6 – 12 months	–	–	0.52	0.40	0.15	0.07
more than 12 months	2.30	3.15	2.30	1.77	2.30	1.09
Total trade accounts receivable	75.49	103.15	132.71	101.77	212.95	101.09
Less allowance for expected losses	(2.30)	(3.15)	(2.30)	1.77	(2.30)	(1.09)
Trade accounts receivable – net	73.19	100.00	130.41	100.00	210.65	100.00
Proportion of trade receivables to total assets (%)	51.20		31.66		20.67	

To consider analyzing information on debt default and bad debt write-off to record an allowance for expected credit losses (Expected Credit Loss: ECL), the company will consider the group of trade accounts receivable divided into 1) trade accounts receivable that are new customers. Such debtors will be considered individually based on performance data, various financial information, the reputation and credibility of the business. 2) Debtors who are former customers, the company already has the past payment information of each customer.





Therefore, the Company will consider by analyzing the payment information, payment default and bad debt write-off from the past experience of overdue debtors for at least 3 years, including other factors that may affect the debtor's ability to pay debt in the future. (Forward-looking Information) with reasonable and sufficient supporting information.

Based on the current data, there are no customers who do not pay and also there is no risk of credit risk. In addition, the company has a policy to give credit term to the employer in payment of contract that are charged each installment at 30 - 60 days from the date of delivery of work. While the Company receives credit term for payment of goods and services from trade creditors at 60 - 90 days.

For the allowance for doubtful debts, the management uses judgment to make estimates for expected losses for each debtor by taking into 1) account past collection experiences 2) aging of the outstanding debt and 3) the prevailing economic conditions at that time assembling in the allowance for doubtful accounts.

In 2020 - 2022, the Company's trade receivables turnover ratio was 7.60 times, 6.16 times and 5.66 times, representing an average collection period of 49 days, 60 days and 65 days, respectively.

#### Contract assets

The Company recognizes a contract asset when the Company recognizes income from performance of its contract performance obligations in excess of the installment billing amount. The amount of the installment billed includes the amount of money that the customer has not yet paid.

As of December 31, 2020 - 2022, the Company has contract assets of 4.31 million baht, 122.61 million baht and 348.60 million baht respectively, representing 3.00%, 29.77% and 34.21% respectively compared to total assets. The Company's contract assets are unbilled contract receivables, which are presented at the net realizable value on the basis of the %age of completion method. The Company has not yet issued an invoice for collection due to the payment due date as specified in the project contract.

In analyzing the data on debt default and write-off of bad debts to record an allowance for expected credit losses (ECL) of contract debtors who have not yet been collected. The company divides such debtors into 1) monthly progress type and 2) milestone type. As of December 31, 2021, the Company has recorded an allowance for expected credit losses of 0.25 million baht for one customer, which is a project that the Company has built according to the contract, but due to the problem of such project causing must stop the construction for a period of more than 12 months. At present, the company already has sent a letter informing the suspension of construction work to such customer.





### Inventories

Inventories are finished goods, materials and equipment awaiting installation, such as main equipment; black steel pipes, PVC pipes, electrical joints and threaded joints, etc. The company has inventories as of December 31, 2020 – 2022 in the amount of 3.87 million baht, 7.71 million baht and 86.34 million baht, or representing 2.70 %, 1.87 % and 8.47 % of total assets, respectively.

### Short-term loans to related parties

The Company has loans to related parties, which are transactions that the Company provides short-term loans to related persons and juristic persons. As of December 31, 2020, the company has short-term loans to related parties amounting to 13.15 million baht. The Company has no policy to lend money to related persons anymore.

### Other current assets

Other current assets of the company are mainly contains withholding tax, undue input vat, insurance and other deposits, etc. As of December 31, 2020 – 2022, the company has other current assets of 2.60 million baht, 30.49 million baht and 50.24 million baht, or representing 1.81%, 7.40% and 4.93% of total assets, respectively.

### Other non-current assets

Other non-current assets as of December 31, 2022 and December 31, 2021 were 50.52 million baht and 30.49 million baht, respectively, which increased by 19.75 million baht or 64.78%.

### Liabilities

As of December 31, 2020 – 2022, the company has total liabilities of 104.48 million baht, 274.94 million baht and 409.79 million baht, respectively, accounting for the 72.83 %, 66.75 % and 40.22 % of total liabilities and shareholders' equity, respectively.

Details of material liabilities of the Company are as follows:

### Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions consists of overdrafts, discounted bills and promissory notes. As of December 31, 2022, the company's overdrafts and short-term loans from financial institutions decreased in the total amount of 74.35 million baht due to repayments to financial institutions in full amount.

### Trade and other payables

The Company's trade and other payables consist of: material payable, retention payables and advance payments received under construction contracts, etc. As of December 31, 2020 – 2022, the company has trade and other payables in the amount of 62.35 million baht, 129.63 million baht and 321.36 million baht, respectively, accounting for the 43.46 %, 31.47 and 31.54 % of total liabilities and shareholders' equity, respectively.

Trade and other payables as of December 31, 2022 have increased compared to trade and other payables as of December 31, 2021 in the amount of 191.74 million baht, representing an increase





of 147.91%. The increase was mainly due to an increase in trade payables in the amount of 217.45 million baht, caused by the fact that the company received many new projects in 2022 in line with the increase in construction revenue. While the average repayment period of the company as of December 31, 2021 – 2022 was 48 days and 42 days, respectively.

#### Other current liabilities

Other current liabilities are vat pending invoices, withholding tax pending remittance and accrued social security funds, etc. As of December 31, 2020 – 2022, other current liabilities of the company amounted to 1.17 million baht, 5.54 million baht, and 16.15 million baht, respectively, accounting for the 0.82 %, 1.34 and 1.58 %, of total liabilities and shareholders' equity, respectively.

#### Employee benefit obligations

The Company's employee benefit obligations are the Company's obligations to make severance payments to employees upon retirement based on actuarial principles. As of December 31, 2020 – 2022, the Company has employee benefit obligations amounting to 1.83 million baht, 2.73 million baht, and 3.68 million baht, accounting for the 1.28 %, 0.66 %, and 0.36 % of total liabilities and shareholders' equity, respectively. The increase in such employee benefit obligations is due to an increase in the number of employees to support job expansion and employee related expenses according to actuarial principles.

#### Equity

As of December 31, 2020 – 2022, the shareholders' equity of the company amounted to 38.98 million baht, 136.98 million baht, and 609.07 million baht, accounting for the 27.17 %, 33.25 %, and 59.78 % of total liabilities and shareholders' equity, respectively. An increase in the shareholders' equity was mainly from the receipt of payment from the initial public offering of ordinary shares.

The shareholders' equity of the company as of 31 December 2022 is 609.07 million baht, an increase compared to the shareholders' equity as of 31 December 2021 in the amount of 472.09 million baht, mainly due to

- 1) The Annual General Meeting of Shareholders 2022 held on March 2, 2022 resolved to approve the dividend payment at the rate of 10.6667 baht per share for fully paid-up shares, the rate of 9.0667 baht per share for partially paid shares, amounting to 14.00 million baht
- 2) The Company received payment for shares from the initial public offering of ordinary shares in the amount of 442 million baht which is 130 million ordinary shares with a par value of 0.50 baht per share, offered to the subscriber at a price of 3.40 baht per share. The Company incurred expenses directly related to the initial public offering, net of tax amounting to 11.62 million baht, presented as a deduction from share premium received from shareholders in the statement of changes in equity. The expenses directly related to the offering are net of tax.
- 3) The Company received payment for the unpaid capital increase shares in the amount of 31.25 million baht.
- 4) The company has a profit for the year in the amount of 24.49 million baht.





### Dividend payment

The Board of Directors' Meeting No. 9/2021 held on November 11, 2021 at the rate of 10.00 baht per share from 1.50 million ordinary shares, amounting to 15.00 million baht.

The Annual General Meeting of Shareholders for the year 2022, held on March 3, 2021, resolved to approve the dividend payment at the rate of 10.6667 baht per share for fully paid shares of 100.00 baht which accounted for 250,000 shares, representing 2.67 million baht and at the rate of 9.0667 baht per share for shares paid for 85.00 baht from the full value of 100.00 baht, amounting to 1,250,000 shares, representing 11.33 million baht, totaling a total dividend payment of 14.00 million baht.

### Obligations and contingent liabilities

The Company has obligations and contingent liabilities as follows:

#### Letter of guarantee

As of December 31, 2022, the Company has obligations under a letter of guarantee from a financial institution to issue a letter of guarantee for goods and works according to the employment contract in the amount of 50.83 million baht, using deposits from financial institutions as collateral.

#### Litigation

–None–

#### Late job fines

–None–

### Liquidity Analysis

Cash flow	2020	2021	2022
	Million Baht	Million Baht	Million Baht
Net cash provided by (used in) operating activities	(2.44)	(105.34)	(195.06)
Net cash provided by (used in) investing activities	(7.79)	(0.19)	(7.47)
Net cash provided by (used in) financing activities	(2.57)	155.65	364.34
Net increase (decrease) in cash and cash equivalents	(12.80)	50.12	161.81

### Cash flows from operating activities

In 2022, the company had used net cash flow from operating activities in the amount of 195.06 million baht. This is mainly due to the expansion of revenue from construction and sales of goods that increased by more than 52.55 % in 2022 compared to 2021, resulting in the company requiring more working capital for business operations. By the fact that the company has been awarded the construction of large projects in 2022, such as the construction of the Ministry of Interior, TUM 3.2 building system construction project, etc. Therefore, the new contract contract is in the preparation for construction work. As a result, the company takes a long time to set up bills to collect payments and there is quite a lot of cash outflow from trade and other receivables and contract assets. Most of the cash outflows are cash outflows from assets







arising from contracts in the amount of 225.99 million baht, cash outflows from trade accounts receivable were 82.60 million baht, and cash inflows from trade and other payables were 193.04 million baht. As a result, the overall cash flow from working capital in remaining operating assets decreased.

#### Cash flows from investing activities

In 2022, the company had net cash flow used in investing activities in the amount of 7.47 million baht. The Company's investment items include the use of pledged deposits at financial institutions, investment in the purchase of office equipment and cash paid for right-of-use assets, etc.

#### Cash flows from financing activities

The company's cash flow from financing activities in 2022 was 364.34 million baht, mainly cash inflow such as cash received from the capital increase of ordinary shares in the amount of 473.25 million baht, while most of the cash outflows were repayment of loans from financial institutions, cash paid for the issuance of shares and dividends paid.

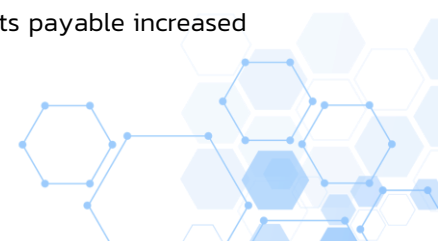
#### Key financial ratios

##### Liquidity Ratio

Financial ratio	2020	2021	2022
Liquidity ratio (times)	1.18	1.42	2.46
Quick ratio (times)	0.90	0.77	1.16
Average collection period (days)	49	60	65
Average product sales period (days)	4	4	20
Average payment period (days)	41	48	84
Cash cycle (days)	12	16	1

As of December 31, 2020 – 2022, the current ratio calculated from the Company's financial statements was 1.18 times, 1.42 times and 2.46 times, respectively, and the quick ratio was 0.90 times, 0.77 times, and 1.16 times, respectively.

In 2021, the company's current ratio was 1.42 times, an increase compared to 2020 at 1.18 times, due to the fact that the company's current assets increased at a rate greater than the increase in current liabilities. The increased in current assets mainly came from cash and cash equivalents increased in the amount of 52.87 million baht, representing an increase of 1,821.97 % from the previous year which came from an increase in the registered capital of the company and trade accounts receivable and assets arising from contracts which increased by 62.11 million baht and 118.31 million baht, respectively, accounted for an increase of 83.07 % and 2,746.29 % respectively. Since the company is in the period of construction expansion, it needs working capital to operate its business. However, when considering the quick ratio, the rate has decreased in 2021 at 0.77 times, down from 2020 at 0.90 times due to the fast current assets of the company are increasing less than the current liabilities. Most of the current liabilities of the company increased. Most of them are are overdraft items, trade accounts payable increased





by 66.34 million baht and 67.28 million baht, representing an increase of 828.15 % and 107.91 %, respectively, compared to the previous year according to the expansion of the company's construction work.

In 2022, the company's current ratio was 2.46 times, an increase compared to 2021 at 1.42 times, due to the increase in current assets of the company at a rate greater than the increase in current liabilities. The increase in current assets mainly are 1) Cash and cash equivalents increased by 161.81 million baht, representing an increase of 306.07 % from the previous year which came from the capital increase of the Company's ordinary shares and 2) an increase in contract assets by 225.99 million baht, representing an increase of 184.31 %, which is in the same direction as the quick liquidity ratio that increased in 2022 at 1.16 from 2021 at 0.77 times. Most of the current liabilities of the company increased mainly from trade payables and other payables that increased by 191.74 million baht or equivalent to an increase of 147.91% compared to the previous year according to the expansion of the company's construction work.

As of December 31, 2020 – 2022, the Company's cash cycle is 8 days, 12 days and 1 day, respectively.

In 2021, the company had a cash cycle of 16 days, an increase of 4 days from the year 2020 due to the company's total debt collection period and product sales period increased compared to the previous year totaling 11 days, which was more than the debt repayment period that increased by 7 days compared to the previous year. Since the company is in the process of expanding the construction work, it is necessary to give customers a longer credit term.

In 2022, the company has a cash cycle of 1 day, which is 15 days less than the year 2021 due to the company's total debt collection period and product sales period increasing compared to the previous year totaling 21 days, which is less than the period pay off the debt that has increased compared to the previous year for 36 days.

#### Return on equity ratio

Although, the operation profit in 2021 has increased by 190.47 % compared to the same period last year, the company increased its registered capital by 93.75 million baht in 2021, thus increasing the average shareholder's equity as well. Therefore, the company had a return on equity in 2021 of 22.11 %, an increase slightly from the year 2020 with a return on equity of 20.15 %.

In 2022, the company had a return on equity of 6.57 %, a decrease from the year 2021 with a return on equity of 22.11 %, which was mainly due to the increase in average shareholders' equity mainly from the capital increase of ordinary shares in the amount of 430.38 million baht.

#### Return on assets ratio

In 2021, the company had a return on assets of 7.01 %, an increase from the year 2020 with a return on assets of 5.87 %, mainly due to the net profit of the company in 2021 that increased by 186.68 % compared to the previous year. While the company's assets increased by 187.13 % from 2020, the increase in such assets was mainly due to the increase in cash from the capital increase, trade accounts receivable and contract assets which resulted from the expansion of construction work.





In 2022, the company had a return on assets of 3.42 %, a decrease from the year 2021 with a return on assets of 7.01 %, mainly due to the net profit of the company in 2022 that increased by 27.05 % compared to the previous year. While the company's assets increased by 147.34% from the year 2021, the increase in such assets was mainly due to the increase in cash from the capital increase, trade accounts receivable and contract assets which resulted from the expansion of construction work.

#### Financial Policy Ratio

As of December 31, 2020 – 2022, the Company's debt to equity ratio was 2.68 times, 2.01 times, and 0.67 times, respectively.

For the year 2021, the company's debt to equity ratio was 2.01 times, a decrease compared to the end of 2020, which was 2.68 times, a direct result of an increase in registered capital of 93.75 million baht in 2021, thus causing the number of shareholders to increase mainly. This is in line with the year 2022 with a debt to equity ratio of 0.67 times, a decrease from 2021 at 2.01 times from the increase in registered capital of 430.38 million baht.

Financial ratio	2020	2021	2022
Debt to equity ratio (times)	2.68	2.01	0.67
Return on assets ratio (%)	5.87	7.01	3.42
Return on equity ratio (%)	20.15	22.11	6.57

### 3. Factors that may affect the financial position or operations of the Company in the future

Factors and influences that may affect the financial position and future performance of the Company apart from those mentioned in Item 2.2.2 Risk Management are as follows:

#### The decrease in earnings per share according to Fully-diluted Basis

Based on audited financial statements from auditors approved by the Securities and Exchange Commission for accounting period ended 31 December 2021, the company has a total paid-up capital of 118.75 million baht, divided into 250,000 ordinary shares with a paid-up value of 100.00 baht per share and 1,250,000 ordinary shares with a paid-up value of 75.00 baht per share. Later, as of March 3, 2022, the company received full payment of shares, resulting in the company has a total paid-up capital of 150.00 million baht divided into 1,500,000 ordinary shares with a paid-up value of 100.00 baht per share.

On March 22, 2022, the Extraordinary General Meeting of Shareholders No. 1/2022 passed a resolution approving the change of the par value per share from 100.00 baht per share to 0.50 baht per share. As a result, the number of ordinary shares of the Company after such change in par value increased from 1,500,000 shares at a par value of 100 baht to 30,000,000 shares at a par value of 0.50 baht per share. In addition, at the same time, the meeting resolved to approve the increase of the registered capital of 65.00 million baht from 150.00 million baht to 215.00 million baht by issuing 130,000,000 new ordinary shares with a par value of 0.50 baht per share for offering to the general public. However, if considering earnings per share after being listed on the stock exchange from the financial statements for the year ended December





31, 2021, in which the company has a net profit according to the financial statements of 19.25 million baht, it can be seen that the net profit per share is equal to 12.83 baht per share (earnings per share is calculated with the number of shares equal to 1.50 million shares). On the other hand, if the number of shares of the company increases to 430.00 million shares with the same net profit, earnings per share of the company will decrease to 0.04 baht per share.

However, the Company expects that in the long term, the Company will benefit from the share offering and listing on the Stock Exchange of Thailand this time. The proceeds from the IPO will be invested and used as working capital in business operations. In addition, the company will receive other benefits from being a listed company on the Stock Exchange of Thailand such as flexibility in obtaining funding sources and a good image of being a listed company that supports business operations to be more flexible, etc. This will result in the Company's future revenue and net profit increasing and can compensate for the impact of the increase in the number of shares.

	Extraordinary General Meeting of Shareholders No. 1/2022 As of March 22, 2022	After the initial public offering
Registered capital (Baht)	150,000,000	215,000,000
Paid-up registered capital (Baht)	150,000,000	215,000,000
Number of common shares (Shares)	1,500,000	215,000,000
Par (Baht)	100.00	0.50
Earning per share (Baht)	12.83	0.04

## 4. Significant financial information

### Summary of Audit Report

Financial Statements	Auditor
Financial Statements and Auditor's Report for the year ended December 31, 2020 of the Company	By Ms. Sanicha Akarakittilap, Certified Public Accountant Registration No. 8470 from PricewaterhouseCoopers ABAS Limited, dated June 30, 2021.
Financial Statements and Auditor's Report for the year ended December 31, 2021 of the Company	By Ms. Sanicha Akarakittilap, Certified Public Accountant Registration No. 8470 from PricewaterhouseCoopers ABAS Limited, dated February 24, 2022.
Financial Statements and Auditor's Report for the year ended December 31, 2022 of the Company	By Ms. Sanicha Akarakittilap, Certified Public Accountant Registration No. 8470 from PricewaterhouseCoopers ABAS Limited, dated February 27, 2023.



The auditor's report that has audited or reviewed the financial statements for the year 2020 – 2022 of the company can be summarized as follows.

For financial statements for the year ended December 31, 2020

The auditor's report on the Company's financial statements for the year ended December 31, 2020 dated June 30, 2021 expressed an opinion in the auditor's report that the above financial statements show the financial position as of December 31, 2020 and the Company's operating results accurately as they should be in accordance with financial reporting standards.

For financial statements for the year ended December 31, 2021

The auditor's report on the Company's financial statements for the year ended December 31, 2021 dated February 24, 2022 expressed an opinion in the auditor's report that the above financial statements show the financial position as of December 31, 2021 and the Company's operating results accurately as they should be in accordance with financial reporting standards

For financial statements for the year ended December 31, 2022

The auditor's report on the Company's financial statements for the year ended December 31, 2022 dated February 27, 2023 expressed an opinion in the auditor's report that the above financial statements show the financial position as of December 31, 2022 and the Company's operating results accurately as they should be in accordance with financial reporting standards

[Financial statement summary table](#)

Statement of Financial Position as at 31 December 2020 ,31 December 2021 and 31 December 2022

Statement of Financial Position	Audited					
	2020		2021		2022	
	MB	%	MB	%	MB	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	2.75	1.92	52.87	12.83	214.67	21.07
Trade and other receivables, net	74.78	52.12	136.90	33.23	219.50	21.54
Contract assets	4.31	3.00	122.61	29.77	348.60	34.21
Inventories	3.87	2.70	7.71	1.87	86.34	8.47
Short-term loans to related parties	13.15	9.17	0.00	0.00	0.00	0.00
Other current assets	2.60	1.81	30.49	7.40	50.24	4.93
<b>Total current assets</b>	<b>101.46</b>	<b>70.72</b>	<b>350.57</b>	<b>85.11</b>	<b>919.36</b>	<b>90.23</b>
<b>Non-current assets</b>						
Deposits at financial institutions used as collateral	6.52	4.54	17.44	4.23	23.46	2.30
Investments in Associated Companies	0.00	0.00	0.00	0.00	0.00	0.00
Leasehold improvements and equipment, net	2.36	1.65	4.40	1.07	5.50	0.54
Intangible assets, net	0.00	0.00	0.24	0.06	0.22	0.02
Right-of-use assets, net	17.33	12.08	14.60	3.54	17.98	1.76
Deferred tax assets	1.42	0.99	1.39	0.34	1.83	0.18
Other non-current assets	14.37	10.02	23.28	5.65	50.52	4.96
<b>Total non-current assets</b>	<b>42.00</b>	<b>29.28</b>	<b>61.35</b>	<b>14.89</b>	<b>99.50</b>	<b>9.77</b>
<b>Total assets</b>	<b>143.46</b>	<b>100.00</b>	<b>411.92</b>	<b>100.00</b>	<b>1,018.86</b>	<b>100.00</b>



Statement of Financial Position	Audited					
	2020		2021		2022	
	MB	%	MB	%	MB	%
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term borrowings from financial institutions	8.01	5.58	74.35	18.05	0.00	0.00
Current portion of long-term loans from financial institutions	0.80	0.56	7.28	1.77	10.62	1.04
Trade and other payables	62.35	43.46	129.63	31.47	321.36	31.54
Contract liabilities	9.69	6.76	24.47	5.94	19.63	1.93
Current portion of lease liabilities	4.23	2.95	4.94	1.20	6.14	0.60
Income tax payable	0.00	0.00	0.00	0.00	0.00	0.00
Other current liabilities	1.17	0.82	5.54	1.34	16.15	1.58
<b>Total current liabilities</b>	<b>86.25</b>	<b>60.12</b>	<b>246.21</b>	<b>59.77</b>	<b>373.89</b>	<b>36.70</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions	3.20	2.23	13.75	3.34	12.93	1.27
Lease liabilities	8.28	5.77	6.10	1.48	7.72	0.76
Employee benefit obligations	1.83	1.28	2.73	0.66	3.68	0.36
Other non-current liabilities	4.91	3.42	6.16	1.50	11.57	1.14
<b>Total non-current liabilities</b>	<b>18.23</b>	<b>12.71</b>	<b>28.73</b>	<b>6.98</b>	<b>35.90</b>	<b>3.52</b>
<b>Total liabilities</b>	<b>104.48</b>	<b>72.83</b>	<b>274.94</b>	<b>66.75</b>	<b>409.79</b>	<b>40.22</b>
<b>Equity</b>						
<b>Share capital</b>						
Authorised share capital	25.00	17.43	150.00	36.41	215.00	21.10
Issued and paid-up share capital	25.00	17.43	118.75	28.83	215.00	21.10
<b>Retained earnings</b>						
Appropriated – Legal reserve	0.00	0.00	0.75	0.18	2.68	0.26
Unappropriated	11.25	7.84	14.75	3.58	23.29	2.29
Share-based payment	2.73	1.90	2.73	0.66	2.73	0.27
<b>Total equity</b>	<b>38.98</b>	<b>27.17</b>	<b>136.98</b>	<b>33.25</b>	<b>609.07</b>	<b>59.78</b>
<b>Total liabilities and equity</b>	<b>143.46</b>	<b>100.00</b>	<b>411.92</b>	<b>100.00</b>	<b>1,018.86</b>	<b>100.00</b>







Statement of Comprehensive Income for the year ended 31 December 2020, 31 December 2021 and 31 December 2022

Statement of Comprehensive Income	2020		Audited 2021		2022	
	MB	%	MB	%	MB	%
Revenues from constructions	156.85	39.07	396.26	61.77	675.14	68.99
Revenues from sales of goods	244.59	60.93	245.21	38.23	303.43	31.01
Cost of constructions	(137.88)	(34.35)	(348.96)	(54.40)	(591.63)	(60.46)
Cost of sales of goods	(216.68)	(53.98)	(214.74)	(33.48)	(278.43)	(28.45)
Gross profit from constructions	18.97	12.10	47.30	11.94	83.51	12.37
Gross profit from sales of goods	27.91	11.41	30.47	12.43	25.00	8.24
Gross profit	46.88	11.68	77.77	12.12	108.50	11.09
Other income	0.72	0.18	0.64	0.10	3.70	0.38
Profit before expenses	47.60	11.86	78.41	12.22	112.20	11.47
Selling expenses	(5.80)	(1.44)	(10.08)	(1.57)	(15.43)	(1.58)
Administrative expenses	(30.20)	(7.52)	(40.18)	(6.26)	(60.16)	(6.15)
Total expense	(35.60)	(8.97)	(50.27)	(7.84)	(75.60)	(7.73)
Profit before finance costs and income tax expense	12.00	2.89	28.14	4.39	36.60	3.74
Finance costs	(1.29)	(0.22)	(2.49)	(0.39)	(5.07)	(0.52)
Profit before income tax expense	10.71	2.67	25.65	4.00	31.54	3.22
Income tax expense	(3.77)	(0.94)	(6.19)	(0.97)	(7.04)	(0.72)
Profit for the year	6.94	1.73	19.46	3.03	24.49	2.50
Items that will not be reclassified to profit or loss						
Remeasurements of post-employment benefit obligations	(0.28)	(0.07)	(0.25)	(0.04)	(0.04)	(0.00)
Income tax on items that will not be reclassified to profit or loss	0.06	0.01	0.05	0.01	0.01	0.00
Total comprehensive income for the year	6.72	1.67	19.25	3.00	24.46	2.50
Basic earnings per share (Baht)	0.13		0.27		0.08	





Statement of Cash Flows for the year ended 31 December 2020, 31 December 2021  
and 31 December 2022

Statement of Cash Flows (Unit : Million Baht)	2020	2021	2022
<b>Cash flows from operating activities</b>			
Profit before income tax	10.71	25.65	31.54
<b>Adjustments for:</b>			
Share-based payment	2.73	0.00	0.00
Depreciations	6.31	6.96	7.73
Gain from disposal of right-of-use assets	0.00	0.00	(1.30)
(Reversal of) Allowance for Expected Losses	(0.64)	0.29	0.00
Allowance for impairment of investments in associated companies	0.25	0.00	0.00
Loss on disposal of equipment	0.38	0.00	0.00
Employee benefit expenses	0.44	0.64	0.91
Interest income	(0.23)	(0.48)	(0.99)
Finance costs	0.89	2.49	5.07
<b>Changes in operating assets and liabilities :</b>			
Trade and other receivables	(46.16)	(62.12)	(82.60)
Contract assets	6.68	(118.59)	(225.99)
Inventories	(0.93)	(3.83)	(78.64)
Other current assets	(2.27)	(27.90)	(14.33)
Other non-current assets	(7.17)	(8.43)	(26.55)
Trade and other payables	30.09	66.93	193.05
Contract liabilities	2.16	14.78	(4.85)
Other current liabilities	0.65	4.36	10.61
Other non-current liabilities	2.79	1.13	4.88
Cash used in operating activities before interest and income tax paid	6.22	(98.12)	(182.89)
Interest paid	(0.76)	(0.94)	(2.24)
Income tax paid	(7.90)	(6.28)	(9.93)
<b>Net cash used in operating activities</b>	<b>(2.45)</b>	<b>(105.34)</b>	<b>(195.06)</b>
<b>Cash flows from investing activities</b>			
Increase in deposits at financial institutions used as collateral	(0.87)	(10.92)	(6.02)
Payments for equipment	(1.38)	(2.35)	(2.97)
Payments for intangible assets	0.00	(0.25)	(0.07)
Proceeds from disposal of right-of-use assets			3.31
Payments for right-of-use assets	(2.63)	0.00	(2.01)
Cash received from short-term loans to related parties	106.41	120.82	0.00
Payments for short-term loan to related parties	(109.37)	(107.67)	0.00
Interest received	0.05	0.18	0.29
<b>Net cash used in investing activities</b>	<b>(7.79)</b>	<b>(0.19)</b>	<b>(7.47)</b>





Statement of Cash Flows (Unit : Million Baht)	2020	2021	2022
<b>Cash flows from financing activities</b>			
Proceeds from overdrafts	28.63	74.76	14.23
Repayments for overdrafts	(25.62)	(77.72)	(14.27)
Proceeds from short-term borrowings from financial institutions	9.97	88.82	100.12
Repayments for short-term borrowings from financial institutions	(9.97)	(19.52)	(174.43)
Proceeds from long-term loan from financial institutions	0.00	20.21	10.50
Repayments for long-term loan from financial institutions	(0.69)	(4.61)	(10.16)
Proceeds from short-term borrowings from related persons	0.00	0.00	5.81
Repayments on short-term borrowings from related persons	0.00	0.00	(5.81)
Payments for principal elements of lease payments	(4.88)	(5.04)	(6.38)
Proceeds from ordinary share issuance	0.00	93.75	473.25
Share issuance expenses	0.00	0.00	(14.53)
Dividend paid for the shareholder	0.00	(15.00)	(14.00)
Net cash generated from financing activities	(2.57)	155.65	364.34
Net increase in cash and cash equivalents	(12.80)	50.12	161.81
Opening balance - Cash and cash equivalents	15.55	2.75	52.87
Closing balance - Cash and cash equivalents	2.75	52.87	214.67

#### Important Financial Ratios

Liquidity ratio	Unit	2020	2021	2022
Liquidity ratio	Times	1.18	1.42	2.46
Quick ratio	Times	0.90	0.77	1.16
Cash flow liquidity ratio	Times	(0.04)	(0.63)	(1.26)
Account receivable turnover	Times	7.60	6.16	5.66
Average collection period	Days	49.00	60.00	65.00
Inventory turnover ratio	Times	103.97	97.36	18.50
Average inventory period	Days	4.00	4.00	20.00
Payable turnover ratio	Times	8.91	7.76	4.38
Repayment period	Days	41.00	48.00	84.00
Cash cycle	Days	12.00	16.00	1.00
<b>Profitability ratio</b>				
Gross profit margin	%	11.68	12.12	11.09
Operating profit margin	%	2.71	4.29	3.36
Ratio of other income to total income	%	0.18	0.10	0.38
Cash to profit ratio	%	(22.48)	(383.04)	(592.75)
Net profit margin	%	1.73	3.03	2.49
Return on equity	%	20.15	22.11	6.57
<b>Efficiency Ratio</b>				
Return on assets	%	5.87	7.01	3.42
Return on fixed assets	%	79.44	135.71	243.92
Total assets turnover	Times	3.40	2.31	2.75





Financial policy analysis ratio	Unit	2020	2021	2022
Debt to equity ratio	Times	2.68	2.01	0.67
Interest coverage ratio	Times	20.17	14.09	7.89
Interest-bearing debts to earnings before interest expenses, income tax, depreciation, and amortization	Times	1.91	3.73	1.43
Commitment coverage ratio	Times	0.79	0.32	1.10
Dividend payout ratio		-	77.10	57.16

## 5. Other financial and operation information

### Future Projects

After the Company issued and offered the Company's newly issued ordinary shares to the public for the first time and has already been listed on the Stock Exchange of Thailand, the Company has a plan to use the proceeds from this offering of newly issued ordinary shares to increase competitiveness to improve work efficiency which will result in better performance both income, profit, and return on equity in the company to grow continuously and create sustainable business stability.

The Company's investment plans depend on many factors including economic, social, and political conditions, as well as relevant regulations. The company plans to use working capital to expand its ability to participate in bidding. The company expects that after the completion of the initial public offering of newly issued ordinary shares will help expand the company's work capability.





## General Information and other important information

Company name in Thai	บริษัท ทเวนตี้ โฟร์ คอน แอนด์ ซัพพลาย จำกัด (มหาชน) (“บริษัท” หรือ “24CS”)
Company name in English	TWENTY-FOUR CON & SUPPLY PUBLIC COMPANY LIMITED (“COMPANY” หรือ “24CS”)
Stock symbol	24CS
Company registration number	0107565000204
Business Type	Distributor of equipment for air conditioning system and contractor for installation of building engineering system
Registered capital	215,000,000 Baht
Issued and paid-up capital	215,000,000 Baht
Location	89 AIA Capital Center, 9th Floor, Unit 901 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok, 10400 Phone No. 02-248-1948 Fax No. 02-248-1949
Website	<a href="https://www.24con-supply.com">https://www.24con-supply.com</a>
Reference	
Company Share Registrar	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400 Open : Mon - Fri 08:30 - 16:30 Phone No. 0-2009-9999 Fax No. 0-2009-9991
External auditor	PwC Thailand 15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road Bangkok, 10120 Phone No. 02-344-1000 Fax No. 02-286-5050
Internal auditor	IA SIGNATURE COMPANY LIMITED 324/10 Macharoen Road, Nongkangplu, Nongkhaem, Bangkok 10160 (Verve Petchkasem 81) Phone No. 02-079-5499





# 02 corporate governance





## Corporate Governance Policy

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The Board of Directors has authorized the corporate governance code for the company to manage in accordance with the principles of corporate governance of the SEC and the SET by realizing the importance of running a business and improving the existing level of corporate governance for long-term sustainable business growth and transparency. The principles not only instill trust among shareholders, investors, or all stakeholders but also provide benefits and positive business outcomes for the company as well as benefits to the company's competitiveness and sustainable growth.

Furthermore, the company continues to focus on shareholder rights and responsibilities towards shareholders and stakeholders of the company, equitable treatment of shareholders, consideration of the role of stakeholders, and disclosure and transparency. Additionally, the Board of Directors has emphasized responsibility for duties and compliance with good corporate governance principles in order to strengthen the confidence of shareholders, investors, and all parties involved. Therefore, the Board of Directors has agreed that there should be a better corporate governance policy that covers key principles ranging from the structure, roles, duties, and responsibilities of the Board of Directors to the management principles of the executives that are transparent, clear, and verifiable by relying on the Securities and Exchange Commission's ("SEC") principles and guidelines for good corporate governance practices for listed companies 2017 as a guideline for managing the organization to ensure that any operation of the company is fair and takes into account the best interests of the shareholders and all stakeholders. The core of the policy can be divided into 8 practical principles as follows:

- Principle 1: Establish clear leadership role and responsibilities of the board
- Principle 2: Define objectives that promote sustainable value creation
- Principle 3: Strengthen board effectiveness
- Principle 4: Ensure effective CEO and people management
- Principle 5: Nurture innovation and responsible business
- Principle 6: Strengthen effective risk management and internal control
- Principle 7: Ensure disclosure and financial integrity
- Principle 8: Ensure engagement and communication with shareholders





**Principle 1: Establish clear leadership role and responsibilities of the board**

- 1.1 The Board of Directors understands and recognizes its role and responsibility as a leader who must supervise the organization to ensure good management, which includes setting objectives and goals, developing strategies, operating policies, and allocating important resources to achieve the objectives and goals, as well as monitoring, evaluating, and supervising the reporting of performance.
- 1.2 The Board of Directors has established various policies, including policies on corporate governance and social responsibility to create sustainable value for the business to promote ethical business operations, respect the rights and be responsible to shareholders and stakeholders, achieve success in the business operations of the company, benefit society, develop or reduce the impact on the environment, and being able to adapt under changing factors.
- 1.3 The Board of Directors is responsible for ensuring that directors and executives adhere to their duties with responsibility (Accountability and Responsibility), careful (Duty of Care), and loyalty to the organization (Duty of Loyalty) for the best interests of the company, as well as complying with the law, objectives, regulations, resolutions of the Board of Directors' and shareholders' meeting, and resolutions of the shareholders' meeting. This includes company-defined policies or guidelines as well as adequate mechanisms must be provided to ensure that the company's operations are in accordance with relevant laws, objectives, regulations, resolutions of the Board of Directors' meeting, resolution of the shareholders' meeting, and other policies of the company such as Related Party Transaction Policy, Anti-Corruption Policy, Delegation of Authority, etc. Additionally, this also involves having a process to authorize critical operations such as investments, transactions that have a substantial impact on the company, transactions with related persons, acquisition or disposition of assets, dividend payments, etc.
- 1.4 The Board of Directors understands their roles, scope of duties, and responsibilities, including clearly specifying the scope of duties and responsibilities assigned to sub-committees and the management, as well as following up and supervising the performance of duties as assigned by establishing the various charters of the Board of Directors and sub-committees in writing and reviewing the charter at least once a year in order to be consistent with the direction of the company.

**Principle 2: Define objectives that promote sustainable value creation**

- 2.1 The Board of Directors places a high value on determining the objectives and main goals of the organization's business operations in order to grow together with society in a sustainable way, create value and benefit for the organization, customers, partners, employees, shareholders, stakeholders, and society, as well as promote communication and strengthen the objectives and main goals of the organization as reflected in the decisions and operations of personnel at all levels until they become an organizational culture under the principles of good corporate governance.





- 2.2 Annual and long-term business objectives, goals, and strategies must be consistent with the achievement of the business' objectives and key goals, environment, factors, and risks that may impact all stakeholders by applying innovation and technology that are appropriate and safe. Moreover, the company must also be aware of the risks of targeting that could lead to illegal or unethical conduct, as well as supervise the transfer of objectives and goals through strategies and plans throughout the organization.

**Principle 3: Strengthen board effectiveness**

- 3.1 The Board of Directors consists of between 5 and 12 people, with duties and responsibilities in determining and reviewing the structure of the Board of Directors in terms of composition, qualifications, expertise, experience, the number of directors suitable for the business, and the proportion of independent directors to be appropriate as necessary to achieve the objectives and main goals set. The following is a summary of the relevant practices:
- 3.1.1 The shareholders' meeting considers the appointment of the company's directors. The tenure is 3 years per term and directors who retire by rotation may be re-elected at the shareholders' meeting.
- 3.1.2 Company directors must be qualified and not possess any forbidden characteristics as required by law.
- 3.1.3 The Board of Directors consists of at least half of the total number of directors who are independent, but no fewer than 3 persons. The independent directors must be independent from the control of the management, major shareholders, and must not be involved in or have a stake in finance and business management, as well as having fully qualified according to the criteria for qualifications of independent directors as specified in the Capital Market Supervisory Board publication concerning application for and approval of offer for sale of newly issued shares and having the scope of duties and responsibilities as specified by relevant laws, notifications, rules, and/or regulations.
- 3.1.4 Directors and senior executives of the company are responsible for reporting information about being an executive director, controlling persons in a limited company or other public limited company, a managing partner in an ordinary partnership, or a limited liability partnership in a limited partnership, and informing the company in accordance with the Board of Directors' rules and procedures.
- 3.1.5 The Board of Directors has clearly established the scope of authority of the Board of Directors in the charter. The details of composition, qualifications, appointment, tenure, and termination of the position shall be in accordance with the charter of the Board of Directors.
- 3.1.6 The Board of Directors will disclose the policy for determining the composition of the Board of Directors with diversity and director information such as age, educational background, experience, shareholding percentage, number of years in director position, and holding the post of director in other listed companies in the annual report and on the company's website.





- 3.1.7 The Board of Directors will appoint a company secretary to execute various activities as required by law and other duties as assigned by the Board of Directors.
- 3.2 The Board of Directors will appoint a suitable individual as Chairman of the Board and ensure that the composition and operations of the Board of Directors are conducive to the exercise of independent discretion. In case the chairman is not an independent director, the Board of Directors will appoint an independent director to jointly determine the agenda of the Board of Directors' meetings to support checks and balances between the Board of Directors and the management and to comply with the principles of good corporate governance for listed companies. In addition, the company has separated roles, duties, and responsibilities between the Board of Directors and management in order to ensure clarity in the duties of each position, have a check and balance, be able to review the management, and operate the company efficiently and transparently as follows:
- 3.2.1 The Board of Directors: plays an important role in determining directions, policies, and strategies for business operations in order to generate the highest return on investment and benefit to shareholders, as well as having important roles in supervising and monitoring the operations of the management to ensure that policies and strategies are followed and in accordance with the law, objectives, regulations of the company, and resolutions of the shareholders' meeting.
- 3.2.2 Management: responsible for managing the business to achieve success and in accordance with the direction, policy, and strategy of business operations as determined by the Board of Directors, as well as conducting day-to-day management duties and keeping the company's business in order.
- 3.2.3 Chairman of the Board: Leader of the Board of Directors plays an essential role in supervising and supporting the performance of the Board of Directors in accordance with the law, corporate governance, etc., as mentioned in 1.
- 3.2.4 Chairman of Executive Board: has the authority to supervise operations in accordance with the policies of the Executive Board within the framework of laws, objectives, the company's regulations, resolutions of the Board of Directors, and resolutions of the shareholders' meeting.
- 3.2.5 Chief Executive Officer: is the head and leader of the company's management team and is assigned by the Board of Directors to conduct duties related to the overall business operations of the company. CEO manages operations according to plans and budgets approved by the Board of Directors strictly, honestly, and maintains the best interests of the company and shareholders, including not doing anything that has interests or benefits in a manner that conflicts with the company and its subsidiaries.
- 3.3 The Board of Directors shall ensure that the recruitment and selection process for each committee is transparent and unambiguous in order to obtain the qualifications of the Board of Directors and sub-committees in accordance with the specified elements.
- 3.4 The shareholders' meeting has the power to approve the remuneration of directors. Therefore, the Board of Directors will consider the structure and remuneration rate to be suitable for the responsibilities and motivate the Board of Directors to lead the organization to achieve both short-term and long-term goals.







- 3.5 The Board of Directors shall ensure that all directors are responsible for executing their responsibilities and devoting adequate time.
- 3.6 The Board of Directors has established a framework and mechanism for supervising the policies and operations of subsidiaries and associated companies at a level appropriate for each business, as well as subsidiaries and associated companies must have the same understanding.
- 3.7 The Board of Directors has a policy to conduct an annual performance assessment of the Board of Directors, subcommittee, and individual directors to be used as a framework for auditing the performance of the Board of Directors, whether it has followed good practices or not, in order to improve the performance of the Board of Directors and to review the problems and obstacles that occurred in the previous year. The evaluation results will be used for further development of the performance.
- 3.7.1 The company has prepared a self-assessment form for the Board of Directors (Board Self-Assessment) according to the guidelines of the Stock Exchange of Thailand, with modifications to suit the nature of the business and the structure of the Board of Directors. It consists of 2 sets of assessment forms, as follows:
- 3.7.1.1 Performance evaluation form of the Board of Directors and subcommittees (by committees)
- 3.7.1.2 Performance evaluation form of individual director (self-assessment)
- 3.7.2 Assessment criteria address the following critical issues:
- 3.7.2.1 Structure and qualifications of the Board of Directors and subcommittees
- 3.7.2.2 Board of Directors meeting
- 3.7.2.3 Roles, duties, and responsibilities of the Board of Directors and subcommittees
- 3.7.2.4 Other considerations such as relationships with management and self-development of directors and executives
- 3.7.3 Scoring method for each assessment topic is separated into 5 levels as follows:  
0 = Strongly disagree or never conducted  
1 = Disagree or seldom conducted  
2 = Fair or moderately conducted  
3 = Agree or well conducted  
4 = Strongly agree or excellently conducted

#### Assessment process

The Board of Directors is responsible for authorizing and reviewing the performance evaluation form of the Board of Directors to present to the Board of Directors for approval and the company secretary will deliver the assessment form to all directors to assess at the end of each year. Following that, it will be processed, and a summary report of the assessment results will be presented to the company to be used in determining the directors' remuneration each year and reporting the evaluation results to the Board of Directors for acknowledgement as well as discussing ways for future development.







- 3.8 The Board of Directors shall supervise each director to ensure that they understand their roles and responsibilities, the nature of business, and laws related to business operations, as well as assist all directors in enhancing their skills and knowledge for performing their duties on a regular basis.
- 3.9 The Board of Directors shall ensure that the operations of the Board of Directors run smoothly, that they can access the required information, and appoint the company secretary, who has the knowledge and experience that are necessary and appropriate to support the operations of the Board of Directors.
- 3.10 The Board of Directors will appoint a number of directors from the Board of Directors to be members of a subcommittee for special duties to enhance the effectiveness of the Board of Directors. Each subcommittee has the same tenure as the Board of Directors and performs the following duties as assigned by the Board of Directors:
- 3.10.1 Audit Committee
- The Audit Committee is responsible for various duties as assigned by the Board of Directors. This includes the duty to review financial reports, the internal control system, compliance with the law, consideration for the selection of auditors, disclosure of company information, and preparation of the audit committee's report, etc., in accordance with the audit committee charter.
- 3.10.2 Executive Committee
- The Executive Committee performs various responsibilities as assigned by the Board of Directors. This covers administrative duties in relation to the usual operations and administration of the company, scrutinizing policies, business plans, budgets, management structures, and various managerial powers of the company. Furthermore, the Executive Committee determines criteria for conducting business in accordance with economic conditions to propose to the Board of Directors' meeting for consideration and approval and/or give approval, including inspection and monitoring of the company's performance that is consistent with the policy set by the Board of Directors in accordance with the executive committee charter.
- 3.10.3 Nomination and Remuneration Committee (or working group or persons assigned by the Board of Directors in the process of establishing the Nomination and Remuneration Committee)
- They are responsible for a variety of tasks as allocated by the Board of Directors. This includes the responsibility to select individuals who deserve to be nominated as new directors or senior executives and persons with management authority by establishing criteria or methods for recruitment and selection with criteria and transparency to propose to the Board of Directors' and/or the shareholders' meetings for approval. Moreover, they are also responsible for considering guidelines and determining compensation for the directors, senior executives, and individuals with management authority by setting the criteria or procedure to determine fair and reasonable remuneration to be proposed to the Board of Directors' and/or shareholders' meetings for approval, etc.





However, due to the small size of the organization and the small number of personnel, the company has not appointed the Nomination and Remuneration Committee. Thereby, the company operates to create checks and balances on such issues through the establishment of a board structure that is balanced through the establishment of a committee consisting of an audit committee that is independent and has no interest in the abovementioned transactions, who are non-executive directors and have no kinship relationship with the executives of the company. The nomination and remuneration of executives and employees will be considered by the Board of Directors that will not be for the benefit of any individual.

3.10.4 Risk Management Committee

The Risk Management Committee carries out various duties as delegated by the Board of Directors. This includes the duties of policy making, management strategy, and risk management framework in order to propose to the Board of Directors, following up to ensure that risks and impacts are assessed, as well as risk management at the level of the company organization being adequate and up-to-date, etc., which is in accordance with the charter of the Risk Management Committee.

3.10.5 Corporate Governance Committee (or working group or persons assigned by the Board of Directors in the process of establishing the Corporate Governance Committee)

They are in charge of a variety of tasks as assigned by the Board of Directors. This covers the duty to formulate policies and guidelines on corporate governance, including important operations related to good corporate governance, social and environmental responsibility, conflict of interest, and the implementation of sustainable development of the company in order to achieve effective results and enhance the company's corporate governance system to international standards.

However, due to the small size of the organization and the small number of personnel, the company has not appointed the Corporate Governance Committee. Hence, the company operates in order to achieve compliance with such guidelines through the establishment of a board structure that is balanced through the establishment of a committee consisting of an Audit Committee that is independent and has no interest in the abovementioned transactions, who are non-executive directors and has no kinship relationship with the executives of the company. Additionally, the company secretary will present an agenda related to good corporate governance, social and environmental responsibility, conflict of interest, as well as the implementation of sustainable development of the company in order to propose to the Board of Directors' meeting for approval or acknowledgment in the meeting every year.

- 3.11 The Board of Directors shall ensure that the roles and responsibilities of the Board of Directors and subcommittees, the number of meetings, and the number of times that each director attended the meeting in the past year, and reports on the performance of every subcommittee are disclosed.



**Principle 4: Ensure effective CEO and people management**

- 4.1 The Board of Directors will ensure that the Chief Executive Officer and top executives are recruited and developed with the knowledge, skills, experiences, and characteristics required to drive the organization towards its goals.
- 4.2 The Board of Directors should oversee that there is an appropriate remuneration structure and evaluation for all levels.
- 4.3 The Board of Directors has a policy to understand the structure and relationship of shareholders that may affect the management of the business and the power to control the management of the business in order not to be an obstacle to the performance of the Board of Directors and will ensure appropriate disclosure of information that may affect business control.
- 4.4 The Board of Directors will monitor the management and develop personnel to have knowledge, skills, experience, and suitable motivation.

**Principle 5: Nurture innovation and responsible business**

- 5.1 The Board of Directors places importance on and supports the creation of innovations that create value for the business along with creating benefits for all stakeholders and have social and environmental responsibility by promoting actions to add value to the company according to the ever-changing environmental factors. This may cover the determination of business model, perspectives on design and development of products and services, analysis, improvement of production processes and work processes, and cooperation with partners.
- 5.2 The Board of Directors shall monitor and supervise the management to operate the business with social and environmental responsibility and reflected in the operational plan to ensure that all departments of the organization have operated in accordance with the objectives, main goals and strategic plans of the company, and taking into account the roles of stakeholders. Besides, the Board of Directors shall provide mechanisms to ensure that the business operates ethically, has social and environmental responsibility, and does not violate the rights of stakeholders as a guideline for all sectors in the organization to be able to achieve the objectives and main goals sustainably. In this regard, the Board of Directors has established guidelines for various stakeholders as part of the Corporate Social Responsibility (CSR) Policy and Code of Conduct that will disclose important information and relevant information necessary for those stakeholders to be informed adequately, reliably, and timely. In this regard, the Board of Directors must realize the importance of the role of stakeholders and treat all groups of stakeholders, which include shareholders, employees, shareholders, customers, suppliers, the public, and society, in a transparent, appropriate, equal, and fair manner, as well as establish guidelines related to stakeholders, including:
  - 5.2.1 Shareholders, Investors and Analysts  
The Company treats all shareholders and investors equitably as the Board of Directors, executives, and all employees have determination to perform their responsibilities with integrity, take any action with transparency and fairness, adhering to the best interests of the shareholders as a priority, do not take any





action in a manner that may cause a conflict of interest, do not use inside information to seek benefits for themselves and their families, and do not disclose confidential information to third parties. In addition, the company recognizes and respects the rights of every shareholder, including investors and analyst to obtain necessary information about the company's performance completely and regularly. The operating results and necessary information have been communicated through various activities of the company and relevant departments.

#### 5.2.2 Employees

Employees are the company's most valuable resource, so the company places importance on strictly complying with labor and social welfare laws, strives to encourage all employees to have a good attitude, has a sense of duty and responsibility, has pride and confidence in the organization, and focuses on teamwork. Moreover, the company encourages employees to attend training on topics that are relevant and beneficial to their work, gives importance to health care by providing annual health checks to all employees, promotes safety, good working environment, and provides compensation and welfare that is adequate and appropriate. Furthermore, the remuneration of employees will be evaluated based on the performance of each employee fairly and consistently with the company's performance, both short-term and long-term, comparable to other companies in the same industry.

In addition, the company aims to continuously promote and develop personnel to have knowledge and competence, taking into account the rights of employees, and providing opportunities for employees to complain in case of unfair treatment of employees through various channels such as opinion boxes or through the Human Resources department that receives the complaint, etc. The company is responsible for ensuring that the workplace is safe, hygienic, and conducive to effective work.

#### 5.2.3 Customers

The organization builds long-term relationships and partnerships with customers by adhering to the principles of honesty, mutual trust, and trust. The company has a responsibility to create the highest level of satisfaction for its customers through responsibility, attentiveness, and prioritizing the problems and needs of customers by requiring all executives and employees to comply with measures in accordance with the policy to ensure that the company adheres to offering and distributing quality products and never stops developing new and efficient products for customers.

#### 5.2.4 Creditors

The company builds relationships and treats creditors by adhering to the principles of honesty, mutual trust, and trust. The corporation has a responsible, attentive, and gives importance to various conditions that made an agreement with the creditors at the best.

#### 5.2.5 Partners

The company treats partners with honesty and equality to ensure that the company's business operations are appropriate, fair, and beneficial to both parties, as well as having sustainable development and being a long-term





partner. The company will choose partners based on various conditions such as price, quality, environmental control and protection, technical expertise, legal compliance, reliability, and adherence to what is right. Moreover, the company will operate and conduct business with its partners by adhering to ethical principles by strictly adhering to contracts, agreements, trade conditions, keeping confidential information of trading partners, and not using such information to seek benefits for oneself and those of others unless the trading partner consents.

#### 5.2.6 Community, Society, and Environment

The company is aware and has a sense of responsibility towards the community, society, and environment. Hence, the company operates under the concept of creating shared values between the business sector and society and paying attention to the preservation of the environment by promoting efficient use of resources for maximum benefit to help reduce energy consumption as well as overseeing and preventing the company's operations from causing damage to the quality of life of society, communities, and the environment.

In this regard, the company and its employees commit to conducting themselves in business operations in a responsible and beneficial manner to society and community, to be friendly to the community living nearby, to help and support the development of the community for its well-being, and to be accountable for the company's business operations in a fair and equal manner in order to promote sustainable development.

#### 5.2.7 Competitors

The company conducts business in an open and transparent manner and does not create unfair competitive advantages.

#### 5.2.8 Relevant government agencies

The company complies with all applicable laws and regulations as specified and supports various activities of government agencies on various appropriate occasions. In addition, the company is committed to selling products of high quality and in compliance with the law, including treating the government sector and various government agencies with political neutrality as stipulated in the charter, ethics, code of conduct, and anti-corruption policy. Furthermore, there will be a channel to receive complaints and/or express opinions by mail to the head office of the company, which will provide protection for whistleblowers by not disclosing but keeping the information of whistleblowers confidential. Initially, the Internal Audit Department will summarize such matters and present them to the Audit Committee for verification. If the committee finds information that affects the company, it must be presented to the Board of Directors for further consideration.

- 5.3 The Board of Directors shall monitor management in allocating and managing resources efficiency and effectiveness by taking into account the impact and development of resources throughout the value chain in order to achieve the objectives and key goals in a sustainable manner. There are at least six categories to consider: Financial Capital, Manufacturing Capital, Intellectual Capital, Human Capital, Social and Relationship Capital, and Natural Capital.





- 5.4 The Board of Directors shall provide a framework for governance and management of information technology at the enterprise level that aligned with the needs of the entity, including ensuring that information technology is used to increase business opportunities and develop operations as well as risk management in order to enable the business to achieve its objectives and main goals.

**Principle 6: Strengthen effective risk management and internal control**

- 6.1 The Board of Directors shall supervise and ensure that the company has a system of risk management and internal control to achieve its objectives effectively and comply with relevant laws and standards.
- 6.2 The Board of Directors has appointed an Audit Committee of at least three members, all of whom must be independent directors and do not have characteristics prohibited by relevant laws, including qualifications and duties according to the rules of the SEC and the SET, in order to be able to perform duties efficiently and independently and perform various functions as assigned by the Board of Directors. This includes the duty to review financial reports, the internal control system, compliance with the law, the independence of the internal audit department, consideration for the selection of auditors, disclosure of company information, and preparation of the Audit Committee's report, etc., in accordance with the Audit Committee charter.
- 6.3 The Board of Directors oversees and manages conflicts of interest that may arise between the companies with management, Board of Directors, or shareholders. This includes the prevention of undue use of the property, company information and opportunities, and transactions with people who are related to the company in an improper manner, including setting guidelines in the charter, code of conduct, and policy on the use of inside information in writing.
- 6.4 The Board of Directors has a clear anti-corruption policy that has been communicated to all levels of the organization and external people in order to achieve practical implementation. Additionally, the Board of Directors will provide a project or guidelines against corruption, including supporting activities that promote and instill all employees to comply with relevant laws and regulations.
- 6.5 The Board of Directors has established a mechanism for handling complaints and whistleblowing and set clear guidelines in the policy on receiving complaints about fraud and wrongdoing (Whistle Blower). The channels for receiving complaints will be disclosed on the website or in the company's annual report.

**Principle 7: Ensure disclosure and financial integrity**

- 7.1 The Board of Directors is responsible for ensuring that the financial reporting system and the disclosure of important information are correct, sufficient, timely, and in accordance with relevant rules, standards and guidelines.
- 7.2 The Board of Directors will monitor and supervise the company's financial liquidity and debt repayment ability.
- 7.3 If there is a condition that the business has financial problems or is likely to have problems, the Board of Directors will ensure that the business has a plan to resolve the problem or has other mechanisms to solve the financial problem, which are under the consideration of the rights of stakeholders and reasonableness.







- 7.4 The Board of Directors has a policy to prepare a sustainability report as appropriate in disclosing information to comply with the law, charter, code of conduct, anti-corruption policy, and treatment of employees and stakeholders. This covers fair treatment and respect for human rights, including social and environmental responsibility. However, such information may be disclosed in the annual report or it may be prepared in a separate book as appropriate for the company, which the company will consider to appropriate to disclose.
- 7.5 The Board of Directors shall supervise the management to establish an investor relations unit to communicate and publicize information that is beneficial to shareholders, investors, analysts, and related parties in an appropriate, equitable and timely manner.
- 7.6 The Board of Directors encourages the use of information technology to disseminate information. In addition to the dissemination of information in accordance with the prescribed rules and through the channels of the Stock Exchange of Thailand, the Board of Directors will arrange for the disclosure of information in both Thai and English through other channels such as the company's website, as well as present current information.
- 7.7 The Board of Directors requires information disclosure and transparency to be part of the company's charter and code of conduct.

**Principle 8: Ensure engagement and communication with shareholders**

The Board of Directors places great importance on the company's shareholders as the company ensures that shareholders receive equal treatment and that shareholders can fully exercise their fundamental rights as shareholders, such as (1) the right to trade or transfer shares; (2) the right to having the company's profit sharing; (3) the right to receive sufficient relevant information through the company's website, the website of the Stock Exchange of Thailand, or by any other means; (4) the right to attend meetings and exercise voting rights in shareholders' meetings independently in order to appoint or terminate directors, consideration of remuneration of directors, appointment of an auditor, dividend payment, and capital increase and issuance of new shares. This includes the right to ask questions to the Board of Directors about the report of the Board of Directors and any other matters presented to the meeting for consideration and approval, the right to propose agenda in advance and nominate a person to be elected as the company's director, and participation in decision-making on important company matters. This prescribes that every shareholder has the right to vote according to the number of shares held and each share has one vote.

In addition, the Board of Directors must realize and give importance to the rights of shareholders and not take any action that violates or deprives those rights. The Board of Directors promotes and sets policies related to the following:

- 8.1 The Board of Directors ensures that shareholders are involved in decision-making on important company matters, including:
  - 8.1.1 They will protect and respect the basic rights of shareholders, such as the right to buy, sell, or transfer shares, right to receive profit sharing of the business, the right to receive sufficient business information, the right to attend the shareholders' meeting to appoint or terminate directors, appointment of an auditor, dividend allocation, prescribing or amending the articles of association or memorandum of association, capital reduction or increase, and approval of extraordinary items, etc.





- 8.1.2 They will encourage and support shareholders to exercise their rights in various matters at the annual general meeting of shareholders, for example, the right to propose agendas for the shareholders' meeting in advance of the meeting, the right to nominate a person to be elected as a director in advance, the right to send questions to the meeting in advance, the right to express opinions and ask questions at the meeting, etc., as well as facilitating minority shareholders to nominate persons to be elected as directors of the company by submitting the resume and letter of consent of such person to the Chairman of the Board of Directors under the rules, regulations, and procedures set by the company.
- 8.1.3 The company will publish information supporting the agenda of the shareholders' meeting on the company's website at least 21 days in advance, as well as clarify the rights of shareholders in attending the meeting and voting rights of shareholders
- 8.1.4 They will encourage shareholders to use powers of attorney, in which shareholders can determine the direction of voting (agree, disagree, or abstain) by preparing powers of attorney in forms A, B, and C (only power of attorney for custodians) to shareholders, including facilitating shareholders who are unable to attend the meeting in person but wish to exercise the right to vote by attorney. This proposal calls for independent directors to attend the meeting and vote on behalf of shareholders in order to facilitate the shareholders' exercise of the right to choose any independent director as an attorney on behalf of the shareholders.
- 8.1.5 They will refrain from any action infringement, restricted rights, or deprivation of shareholders' rights to access the company's information that must be disclosed in accordance with various requirements and attending shareholders' meetings, such as not presenting documents that contain additional important information suddenly, not adding meeting agendas, or changing important information without notifying shareholders in advance, etc.
- 8.1.6 They will facilitate shareholders in exercising their rights such as providing current and important information through the company's website, etc.
- 8.2 The Board of Directors will supervise the proceedings on the day of the shareholders' meeting to ensure they are orderly, transparent, efficient, and enable shareholders to exercise their rights, including
  - 8.2.1 They will facilitate the shareholders to fully exercise their rights to attend and vote at the shareholders' meeting and will refrain from any action that limits the opportunity for shareholders to attend the meeting. In the case that shareholders are unable to attend the meeting in person, the company allows them to appoint independent directors or any other person as their proxies to attend the meeting on their behalf.
  - 8.2.2 The rules and procedures for attending the shareholders' meeting will be communicated to the shareholders in the meeting invitation letter and on the meeting date. The meeting facilitator will inform the shareholders of the rules used in the meeting and voting procedures at the shareholders' meeting, which





- has been recorded. A notification of the rules and the procedure for voting on such resolutions is included in the minutes of every shareholders' meeting.
- 8.2.3 They will properly organize the meeting, provide shareholders with the opportunity to ask questions related to the meeting agenda or related to the company, and can express their opinions by the Chairman of the Board of Directors will ask in the meeting for each agenda. This involves providing for the recording of questions pertaining to the meeting agenda or the company, as well as the expression of shareholder opinions, including the explanation of the Board of Directors and/or executives in every shareholder meeting report.
- 8.2.4 The meeting will be conducted according to the agenda specified in the invitation letter and executives who are shareholders of the company will not present any additional agenda items that are not necessary for the meeting, especially the agenda that shareholders must take sufficient time to study before making a decision.
- 8.2.5 They will support and promote the use of technology such as bar codes, ballot cards, or others for use in shareholder meetings for both registration of shareholders and score counting and display. So that the meeting can be done quickly, accurately, transparently, and verifiably. The voting results will be disclosed in the minutes of the shareholders' meeting, along with the votes of approval, disapproval, and abstention for each agenda.
- 8.2.6 There will be an independent person to witness the vote counting process or a person who counts or checks the votes in the meeting, such as the auditor of the company or a legal advisor, and disclosed the results of the vote counting or verification to the meeting and recorded in the minutes of the meeting as well.
- 8.2.7 The Board of Directors recognizes the importance of holding the annual general meeting of shareholders and respects their rights; therefore, they encourage all directors to attend the shareholders' meeting.
- 8.3 The Board of Directors will ensure that the disclosure of resolutions at the shareholders' meeting and the preparation of minutes of the shareholders' meeting are accurate and complete, including
- 8.3.1 They will ensure that information about the date, time, place, and agenda of the shareholders' meeting is provided; as well as all information relating to matters to be decided in the shareholders' meeting with explanations and reasons according to the agenda provided to the shareholders in advance sufficiently and in time for each shareholders' meeting. Moreover, the company has a policy to allow shareholders to research the information before the meeting date through the website.
- 8.3.2 After each shareholder meeting, they will ensure that the content of the meeting is compiled, which includes agenda details, a list of directors both attending and absent, meeting resolutions, voting, as well as questions and opinions of shareholders, prepared in the form of "AGM Minutes" published on the company's website and delivered to the Stock Exchange of Thailand and/or related agencies within 14 days from the meeting date, which is in accordance with the requirements of the SEC and the SET. They will also disclose to the public the resolutions of the meeting and voting results for each agenda of the





meeting through the system of the Stock Exchange of Thailand within the time specified by law and in accordance with the requirements of the SEC and the SET.

- 8.3.3 They will promote the exercise of shareholders' rights and will not restrict shareholders' rights by disclosing information through the company's website in advance. Additionally, the company will not present documents containing additional important information during the shareholders' meeting and will not add meeting agendas or change important information without notifying the shareholders in advance.
- 8.3.4 They will ensure that there is an opportunity for shareholders to receive news and information that is up-to-date through the company's website regularly.

## Business Code of Conduct

### Directors Code of Conduct

- (1) All directors must behave and make decisions with care and suitability and perform their responsibilities with honesty and integrity for the best interest of the company.
- (2) Directors must not use their position as directors for personal benefit or the benefit of the individual involved, either directly or indirectly. Additionally, directors must disclose any personal interests that may result in a conflict of interest for the company or a conflict of interest with the firm.
- (3) Directors must not misuse information received from their position as directors of the company. It is illegal to trade in company securities using insider information. Directors must accurately, timely, and in compliance with the stipulated criteria report their holdings of the company's securities.
- (4) Directors are not permitted to expose trade secrets or important business information to third parties, nor are they permitted to supply non-public information to anyone.
- (5) In terms of making decisions on behalf of the company, directors must take into account the legitimate interests of the company's stakeholders, including shareholders, employees, customers, and trading partners/creditors.
- (6) Directors must scrupulously adhere to the law while maintaining transparency and accountability. Directors must not accept any offers, presents, or other valuable items from stakeholders with the intent to influence any business decision or action, and they must not take any action or have any assignments that are fraudulent, dishonest, or corrupt.
- (7) Directors must protect the rights of shareholders.
- (8) The Board of Directors must not decide to provide unreasonable benefits to shareholders or other individuals by using the company's expenses or from the shareholders' equity.

### Executive Code of Conduct

- (1) The business should be managed with honesty and for the best interest of the company.
- (2) Execute responsibilities by applying knowledge and managerial skills to the best of their abilities in all situations.
- (3) Handle their work with caution and wisdom, and avoid creating obligations that may later conflict with their duties.





- (4) Responsible for their own decisions and actions, as well as able to clarify or explain.
- (5) Not seek benefits for themselves and related people by using any company information that has not yet been revealed to the public and shall not take any action in a manner that may result in a conflict of interest of the company.
- (6) Prioritize the growth of employees' knowledge and abilities by providing ample and consistent opportunities for growth.
- (7) Comply with all employment-related laws and regulations, and listen to employee suggestions.
- (8) Employees should be treated with politeness, respect the individual and the dignity of humanity; and avoid any unfair action that may threaten and put pressure on the mental state of employees.
- (9) Emphasize to employees that they need to understand the code of conduct and the roles that they can perform in order to encourage appropriate behavior within the framework of the code of conduct throughout the company.
- (10) Employees at all levels should instill a sense of social responsibility by refraining from performing actions that may harm natural resources and the environment.
- (11) Conduct or control employees to closely adhere to the law's and rules' intent.
- (12) Maintain security. Employees must keep corporate and customer information confidential without disclosing company information or news that should not be disclosed.

#### Employees Code of Conduct

Employees are responsible for understanding and complying with the code of conduct. When in doubt or question, they should consult with the supervisor, Human Resources, or a person assigned by the company to be responsible for monitoring compliance with the code of conduct. This includes notifying supervisors or responsible persons when they see a violation or non-compliance with the code of conduct and cooperating in investigating various facts with departments or persons assigned by the company.

#### Code of Conduct towards stakeholders

The company has established guidelines for directors, executives, and employees to adhere to as the basic principles for business operations are as follows:

##### Code of conduct for shareholders

- (1) Treat all shareholders equally in terms of information disclosure and shareholder meeting, according to relevant regulations and laws.
- (2) Comply with the law, the company's objectives and regulations, board resolutions, and resolutions of the shareholders' meeting to follow the best practices of the principles of corporate governance, ethics, and code of business conduct.
- (3) Manage the business of the company for progress and stability and to generate appropriate returns for shareholders.
- (4) Execute duties and make decisions with competence and concern by applying knowledge, experiences, expertise, and management skills to the best of their abilities.
- (5) Report the status and performance of the company to the shareholders in an equitable, regular, and truthful manner.





- (6) Not attempting to gain advantages for oneself or others by utilizing any company information that has not been disclosed to the public.
- (7) Do not improperly disclose the company's confidential information to others.
- (8) Do not take any action in a manner that may cause a conflict of interest with the company
- (9) Prepare the company's website as a channel for shareholders to receive the company information.

#### Code of Conduct for Customers

- (1) Produce high-quality products and adhere to contracts, terms, or conditions with clients in a transparent and equitable manner. In the event that it cannot be performed, the company must act rapidly to negotiate with customers in advance to jointly discover alternatives and prevent damage.
- (2) Committed to creating satisfaction and confidence for customers in order to receive excellent quality services under appropriate safety and technology, as well as continually raising standards.
- (3) Disclose complete, accurate, timely, and accurate information about the service without distorting any facts, including maintaining a good and sustainable relationship.
- (4) Manage a customer service system and open communication channels so that customers can complain about their dissatisfaction and perform the best to respond to customer needs quickly.
- (5) Always give importance to maintaining confidential information of customers and not using such information for one's own benefit and/or other related persons.

#### Code of Conduct for Partners

- (1) Comply with contracts, terms, and conditions towards trading partners strictly, transparently, and equally.
- (2) Not demanding, accepting, or paying any benefits traded with partners dishonestly.
- (3) In case the conditions cannot be fulfilled, the company should immediately notify its partners in advance in order to collectively consider finding solutions to problems with reasonable principles.

#### Code of Conduct for Competitors

- (1) Treat competitors equally and fairly, and based on fair returns to both parties.
- (2) Not demanding, accepting, or paying any benefits traded with partners dishonestly.
- (3) Do not seek confidential information of business competitors through dishonest or inappropriate means.
- (4) Do not harm the reputation of trade competitors by falsely accusing them of slander.

#### Code of Conduct for Creditors

- (1) Comply with contracts, terms, and conditions towards creditors strictly, transparently, and equally.
- (2) Report the financial performance of the company to creditors on a regular basis with honesty, precision, and timeliness.







- (3) In case the conditions cannot be fulfilled, the company should immediately notify its creditors in advance in order to collectively consider finding solutions to problems and preventing damages.

#### Code of Conduct for Employees

- (1) Provide fair returns and appropriate compensation according to the knowledge, competencies, responsibilities, and performance of each employee.
- (2) Appointment, transfer, rewarding, and punishing of employees must be done with equality, sincerely, and based on knowledge, ability, and suitability, including the action or conduct of that employee.
- (3) Treat employees on the basis of fairness and provide importance to the development and transfer of knowledge and abilities of employees by giving opportunities to employees thoroughly and regularly.
- (4) Strictly comply with the law and regulations related to employees.
- (5) Always keep the working environment safe for employees' lives, physical health, and property.
- (6) Manage by avoiding any unfair action that may impact the stability of the employee's performance.
- (7) Listen to the opinions and suggestions of employees at all levels equally and equitably.
- (8) Encourage employees to understand the code of conduct and roles in order to enhance behavior within the framework of the code of conduct throughout the company.
- (9) Encourage employees to participate in determining the direction of work, including solving problems of the agency and the company.
- (10) Encourage employees to pursue additional training in the fields relating to their job responsibilities.
- (11) Encourage employees to be good and virtuous.

#### Code of Conduct for Community, Society, and Environment

- (1) Do not take any action that harms natural resources or the environment beyond what is required by law.
- (2) Do not support any action that is harmful to society or morality and/or that promotes vices.
- (3) Give importance to community and social activities by focusing on the development of society, community, and environment, and by focusing on the creation and conservation of natural resources.
- (4) Support activities that enhance public interest.
- (5) Continuously inculcate awareness of social and environmental responsibility in the company and employees at all levels.
- (6) Cooperate and monitor to ensure strict adherence to applicable rules and regulations.
- (7) Respond quickly and effectively to incidents that have an impact on the community and the environment as a result of the company's operations in full cooperation with government officials and relevant entities.
- (8) Set up a grievance system for issues that may harm the community, conduct a cause investigation, improve, and promptly notify the complaint of the results.





### Exchanging gift, Entertainment, and Receptions Code of Conduct

- (1) Not demanding, accepting, or agreeing to receive money, gifts, or other benefits from persons related to the company's business.
- (2) Giving or receiving presents may be done in accordance with traditional practices, but not in order to induce someone to act or refrain from acting wrongly, which influences business decisions or provides unfair benefits.
- (3) The exchange of presents should be done freely and has no additional value. Once the transaction has been completed, report to the superiors in the appropriate hierarchical order. If the gift of money or goods is worth more than three thousand baht, refuse to accept it and return it.

### Major changes and developments in policies, practices, and corporate governance system in the previous year

Significant changes and developments related to the review, policies, guidelines, and corporate governance systems or charter of the Board of Directors in the past year

- 1) Amend the anti-corruption policy and whistleblowing policy to clearly identify those who are responsible for receiving complaints, investigations, and those who report results and consider sanctions.
- 2) Determine a written vision and mission.
- 3) Determine a written risk management plan.
- 4) Set a budget and the investment plan for 2022, as well as review the report on the use of money according to the investment plan and compare the actual performance with the budget on a quarterly basis.
- 5) Establish written rules and conditions for entering into transactions with persons who may have conflicts of interest.
- 6) Appoint company secretary
- 7) Restructure the executive committee to have the proper number of members for the efficiency of the company's activity.
- 8) Improve the risk management policy to keep up with the current situation, including reporting the results of risk management monitoring to the Board of Directors.
- 9) Approve the personal data protection policy according to the Personal Data Protection Act B.E. 2562

### Other practices according to the principles of corporate governance code

The company arranges to review the good corporate governance policy annually.

In addition, the company has a Code of Best Practice policy to promote transparency and be beneficial to the company's business operations, which will create confidence among shareholders, investors, and all parties involved. Therefore, the Board of Directors has established corporate governance principles. This is in line with sound corporate governance guidelines, which are determined by the Stock Exchange of Thailand. The principles of corporate governance of the company cover 5 categories as follows

#### Principle 1 The Rights of Shareholders





The company realizes and provides importance to the fundamental rights of shareholders both as the owner of the company and as an investor in securities, such as the right to buy, sell, or transfer the securities; the right to receive sufficient company information; the right to receive profit sharing from the company; the various rights in shareholders' meetings; the right to express opinions; and the right to participate in decision-making on important matters of the company, such as dividend allocation, the appointment or termination of directors, the appointment of an auditor, the approval of important transactions that affect the direction of the company's business operations, etc.

In addition to the basic rights mentioned above, the company has also taken various actions which facilitates the exercise of shareholders' rights as follows

1. The company will hold an annual general meeting every year, which will be held within 4 months from the end of each accounting period, as well as send a meeting invitation letter and meeting information according to various agendas to shareholders 7 days before the meeting date and announce the meeting date in a newspaper for 3 consecutive days prior to the meeting date.

2. The company will publish information supporting the agenda of the shareholders' meeting on the company's website at least 21 days in advance, as well as clarify the rights of shareholders in attending the meeting and their voting rights.

3. In the case that shareholders are unable to attend the meeting in person, the company provides opportunities for shareholders to appoint independent directors or any other person as their proxies to attend the meeting on their behalf by using one of the powers of attorney that the company sent along with the notice of the meeting.

4. Prior to the meeting, the company will allow shareholders to submit their opinions, suggestions, and inquiries in advance of the meeting date via the company secretary's email address.

5. In the company's meeting, shareholders will be given the opportunity to raise questions, provide feedback, or express opinions to the meeting on various issues as relevant directors and executives will attend the meeting to answer questions and provide details in the meeting.

## **Principle 2 The Equitable Treatment of Shareholders**

The company will provide equal opportunities to all shareholders and determine the right to vote at the meeting according to the number of shares. One share is equal to one vote and does not take any action that limits, violates, or deprives the rights of shareholders. Whether it's a major shareholder, minority shareholders, institutional investors, or foreign shareholders, the company assigns independent directors to take care of minority shareholders. Minority shareholders can make suggestions, comments, or complaints to independent directors, who will consider appropriate action in each matter. For example, if it is a complaint, the independent directors will investigate the facts and find appropriate solutions. In the case of a suggestion that is important and affects the stakeholders or the business of the company, independent directors will present the matter to the Board of Directors' meeting to consider and set as an agenda of the shareholders' meeting, etc. The company will disseminate such information via the company's website at least 7 days prior to the date of the shareholders' meeting.

The meeting proceeds according to the company's articles of association in order of the agenda. Complete details of each agenda were presented and there is a clear display of information for consideration, including not adding an agenda without informing the





shareholders in advance unnecessarily, especially for an important agenda that shareholders must take time to research information before making a decision. However, in the case that the shareholders are unable to attend the meeting in person, the company provides opportunities for shareholders to appoint independent directors or any other person as their proxies to attend the meeting on their behalf by using the power of attorney that the company sent along with the notice of the meeting. Voting is transparent according to the agenda set and the agenda for the election of directors will allow shareholders to exercise their rights to appoint directors by voting individually.

In addition, the company has established measures to prevent the wrongful use of inside information (insider trading) of related persons, which are directors, executives, and employees in departments related to inside information (including their spouses and minor children) by prohibiting related persons from trading in the company's securities for at least 1 month prior to the disclosure of the quarterly and annual financial statements and should wait at least 24 hours after the disclosure of such information to the public, including prohibiting the disclosure of that information to other people as well. The company has informed directors and executives regarding the duties that executives have to report on their securities holdings in the company and penalty provisions accordingly under the Securities and Exchange Act B.E. 2535 and the regulations of the Stock Exchange of Thailand. In the case that directors or executives trade the company's securities, they must report the holdings of securities in the company by themselves, their spouses, and minor children under Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days to the Office of the Securities and Exchange Commission for further dissemination to the public. The company has a measure to monitor the securities trading of directors and executives by assigning the company secretary to coordinate with directors and executives to collect the securities trading transactions of directors and executives to report to the office and acknowledgement of every meeting of the Board of Directors.

### Principle 3 The Role of Stakeholders

The company places importance on the rights of all stakeholders, not only internal stakeholders such as employees and executives of the company but also external stakeholders such as competitors, partners, and customers, etc. The company recognizes that supports and comments from stakeholders will benefit its operations and business development and has therefore complied with relevant laws and regulations to ensure that the rights of stakeholders are protected. Furthermore, the company has promoted cooperation between the company and its stakeholders to build security for the company according to the following guidelines

- (A) Shareholders : The company emphasizes continuous organization development, which will result in increasing income and profit, increasing company value, and the highest return to shareholders
- (B) Customers : The company emphasizes standard and quality products, including honest, fair services, and responsibilities to customers
- (C) Partners : The company holds policies that are fair and follow business conditions and/or mutual contract agreements to foster great business relationships that are beneficial to all parties





- (D) Competitors : The company promotes fair competition, including following rules and regulations
- (E) Employees : The company holds a policy of equal and fair treatment for every employee, providing appropriate benefits and compensation, including employee developmental support
- (F) Community and Society : The company emphasizes community and society by operating ethically and supporting appropriate activities that promote and support society
- (G) Environment : The company continuously operates strictly according to environmental law, regulations, and develops guidelines for controlling the impact on the environment

The company will operate according to different laws and regulations, ensuring good treatment for all stakeholders.

#### **Principle 4 Disclosure and Transparency**

The company recognizes the importance of accurate, complete, and transparent disclosure of both general and financial information in accordance with the rules of the Securities and Exchange Commission and Stock Exchange of Thailand, as well as other important information that may affect the company's securities prices. The company has disclosed information to its shareholders, investors, and the public through various channels of the Securities and Exchange Commission, the Stock Exchange of Thailand, and the company's website which is [www.24con-supply.com](http://www.24con-supply.com).

The company has assigned Mr. Santi Maneewong to be responsible for investor relations in order to communicate with investors, shareholders, analysts, and relevant government agencies. Moreover, the Board of Directors is responsible for the company's financial statements and the information presented in the annual report. The financial statements are prepared in accordance with Thailand's Generally Accepted Auditing Standards using accounting policies appropriate to the company's business and consistently implementing them, including adequate disclosure in the financial statements. The financial report and internal control system, as well as information presented in the notes to the financial statements, are reviewed by the Audit Committee.

#### **Principle 5 Responsibilities of the Board of Directors**

##### **1. Structure of the Board**

The Board of Directors consists of persons with knowledge and capability. They play an important role in determining policies and organizational overview. Additionally, they also play an important role in supervising, auditing, and evaluating the company's performance to ensure that it is in accordance with the plan.

Currently, the Board of Directors comprises 8 persons, including 3 non-executive directors who qualify as independent directors. This will result in a balance in the voting consideration of various matters. There is also an Audit Committee consisting of 3 independent committees that acts as the shareholders' representative in supervising the company's operations for accuracy and transparency.

According to the regulations of the company, the directors must retire at a ratio of one third at the annual general meeting of shareholders. If the number of directors required to retire cannot be divided into three parts, then the number closest to one-third shall be retired.





Directors who have to retire in the first and second years after the registration of the company must use the method of drawing lots to determine who will leave. In the following years, the director who has been in office for the longest time will be retired from office. However, the retiring director may be re-elected.

In addition, the Board of Directors has appointed 3 subcommittees, namely the Audit Committee, Risk Management Committee, and Executive Committee, to perform specific duties and propose matters to the Board of Directors for consideration or acknowledgment. Each subcommittee has the rights and duties specified in the powers and duties of each committee.

The company has clearly defined the scope of powers and duties of each committee, especially the Executive Committee and Managing Director. As a result, the Executive Committee and the Managing Director have no absolute power. There is a balance of an important resolutions that must be approved by the Board of Directors or the shareholders' meeting (depending on the case), including the company's directors will not be able to approve any transactions that they or a person who has a conflict of interest in their own interest have proposed.

The company has a secretary of the Board of Directors who has to provide regulatory advice that the committees are required to know and perform their duties in overseeing the activities of the committee, as well as coordinate the implementation of the resolutions of the board of directors.

## 2. Roles, duties, and responsibilities of the board

The Board of Directors consists of people who have knowledge, a wide range of skills and expertise, and leadership that is accepted. Furthermore, the Board of Directors will participate in setting the vision, mission, strategy, policy, business practice guidelines, and supervise the company's operations in accordance with the law, objectives, regulations, and resolutions of the shareholders' meeting. For the benefit of closely monitoring and supervising the operations of the company, the Board of Directors established various committees to follow up on and supervise those operations.

### 2.1 Corporate Governance Policy

The company has adopted the Corporate Governance Policy in writing. The Corporate Governance Policy and policy compliance will be reviewed at least once every year. Moreover, the company shall strictly comply with rules and regulations set by the Securities and Exchange Commission, Stock Exchange of Thailand, and/or Market for Alternative Investment and disclose its corporate governance performance in its annual report and annual registration statement (Form 56-1 One Report).

### 2.2 Code of Ethics

The company has established a code of conduct for the Board of Directors, management, and employees to adhere to as a guideline for performing their duties according to the company's mission with honesty, integrity, and fairness, both in relation to the company, all groups of stakeholders as well as the public and society. This includes setting up a system to follow up on the implementation of such guidelines on a regular basis.

In addition, the company has announced and notified all employees to acknowledge and strictly adhere to such guidelines, including their implementation.

### 2.3 Conflict of Interest

The company has set a conflict of interest policy based on the principle that any business decision must be made in the best interest of the company and that any act that may cause a







conflict of interest must be avoided. A person who is related to or connected with a given transaction shall notify the company of such relation or connection and shall not participate in a decision-making process and approve that transaction.

The Audit Committee shall report related-party transactions and conflicts of interest that have been thoroughly considered in accordance with rules set by the Securities and Exchange Commission and/or Stock Exchange of Thailand to the Board of Directors. Such transactions and conflicts of interest shall also be disclosed in financial statements, annual report, and annual registration statement (Form 56-1 One Report).

#### 2.4 Internal Control System

The company places importance on its internal control system at both the management and practitioner levels. To ensure efficiency, the company has clearly specified the authorities, duties, and responsibilities of executives and practitioners in writing, supervised the use of company assets, and separated the roles and responsibilities of practitioners from those of monitoring and assessing officers. The Audit Committee has been appointed to review the internal control system and conduct an internal audit to ensure that it is appropriate and productive, and it outsources experts to follow-up on the internal control system and report the results of the audit to the Audit Committee in order to ensure that the company's key operations have been carried out in accordance with the prescribed guidelines and are efficient.

#### 2.5 Board of Directors' Report

The Audit Committee is responsible for reviewing a financial report prepared jointly by the finance and accounting departments and the auditor to submit to the Board of Directors every quarter. The Board of Directors is responsible for financial statements and financial information (statement of the Board of Directors' responsibilities for financial report) to confirm that such financial statements are prepared in accordance with Generally Accepted Auditing Standards and audited by the company's auditor in the annual report and shall ensure that all important information, both financial and non-financial, is disclosed truthfully and completely on a regular basis.

### 3. Board of Directors' Meeting

According to the company's regulations, the company organizes a meeting of the board of directors at least every 3 months and will arrange special meetings as necessary. The meeting invitation letter was sent 7 days prior to the meeting date, except in the urgent case that the company needed to protect its benefits. Therefore, in each meeting, there is a clear agenda for the meeting, and there are sufficient and complete supporting documents for the meeting that are delivered to the board in advance in order for the committee to have sufficient time to study the information before attending the meeting. In a meeting, the chairman of the Board of Directors and the Managing Director jointly set the meeting agendas and consider the agendas of the Board of Directors' meetings by giving opportunities for each director to propose matters to be considered on the meeting's agenda, where all directors are able to discuss and express their opinions openly. The chairman of the meeting has to compile the opinions and conclusions from the meeting. The Board of Directors shall hold a majority vote in which one director has one vote. The directors with conflict of interest will not attend the meeting and/or vote on such matters. If the votes are equal, the chairman of the meeting will have one more vote to decide. In addition, the minutes of the meeting will be made in writing after the meeting is completed and certified by the Board of Directors to be ready for





the Board of Directors and the relevant persons to examine. In the past, the company has sent supporting documents in advance every time, thus giving the directors sufficient time to research information on various matters and assigning the Secretary of the Board to attend every meeting. The Secretary of the Committee will record the minutes of the meeting and send them to the Chairman of the Board of Directors for consideration and signing to certify the accuracy by proposing to the meeting to certify in the first agenda of the next meeting, including storing information or documents about various meetings for easy searching in later references.

#### 4. Remuneration

Due to the small size of the organization and the small number of personnel in the company, the company does not appoint the Nomination and Remuneration Committee. The company has operated to inspect and balance the issues through the determination of a balanced director structure through the presence of a non-executive committee and does not have a kinship relationship with the company's management. Therefore, the Audit Committee is independent and has no interest in the aforementioned transactions. The nomination and remuneration will be considered by the Board of Directors, which is not for the benefit of any person. The company requires disclosure of remuneration paid to directors and executives in the form prescribed by the Office of the Securities and Exchange Commission.

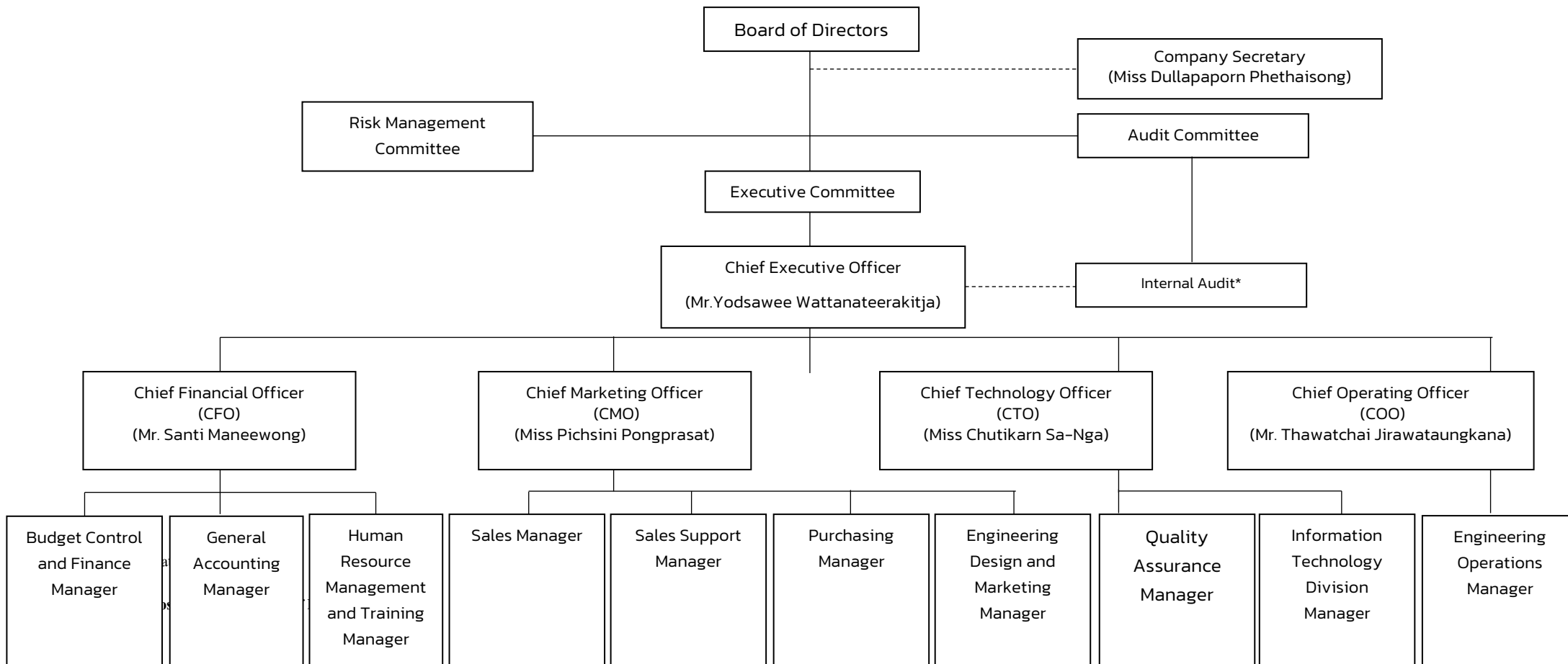
#### 5. Development of Directors and Executives

The company has a policy to provide and facilitate development and training programs for directors involved in the company's management, including the board members, audit directors, executives, and company secretary, in order to continually improve their effectiveness. When there is a change in the company's board of directors, the company will provide guidance on the company's business operations and useful information for the new directors to perform their duties in order to promote the performance of duties with continuous efficiency within the framework of good corporate governance.





## Corporate Governance Structure and important information about the Board Sub-committees, Executives, Employees and Others



\* The company hires IA Signature Co., Ltd. as an internal auditor who is an outsourced service provider with a year-to-year contract period.

The audit committee of the company will be responsible for selecting and appointing qualified internal auditors every year.





## Information about Directors

### Composition of the Board of Directors

The Board of Directors consists of 6 directors, namely 3 independent directors and 3 executive directors. Capital Market No. Tor Jor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares dated September 30, 2016 and any amendments thereto tenure.

#### Term in the Office

At the annual general meeting of shareholders one-third of the directors shall retire from office and the directors who have been in office the longest shall retire. If the number of directors cannot be divided exactly into three parts, the number of directors nearest to one-third shall retire. Directors who retire may be re-elected.

A director holds office for a term of 3 years and upon expiration of the term may be re-elected as a director of the company.

In this regard, independent directors have a maximum term of office of not more than 9 years from the first day of being an independent director. Unless the shareholders' meeting approves an independent director who has been an independent director for more than 9 consecutive years as an independent director.

In addition to retiring from office by rotation Director vacates office when

- Dead
- Resign
- Lack of qualifications or having characteristics prohibited by law
- Removal by a resolution of the shareholders' meeting with a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote. and having shares altogether not less than half of the number of shares held by shareholders attending the meeting and having the right to vote
- The court issued an order to leave.

### Information of the Board of Directors and Persons Controlling the Company Individually

The organizational structure of the company as of December 31, 2022 consists of the Board of Directors. Audit Committee Board of Directors and the Risk Management Committee These committees consist of qualified persons who are fully qualified under Section 68 of the Public Limited Companies Act B.E. 2535 and the Capital Market Supervisory Board Announcement No. TorChor. Reissued, dated September 30, 2016 in all respects as follows:

#### Board of directors:

As of December 31, 2022, the Company's Board of Directors comprised of 6 individuals as follow:

	Name		Position
1.	Gen. Suchart	Wongmark	Chairperson of BOD Audit Committee and Independent director
2.	Mrs. Pattra	Supanich	Chairperson of Audit Committee and Independent director
3.	Lt. Gen. Parinya	Chaidilok	Audit Committee and Independent director
4.	Mr. Yodsawee	Wattanateerakitja	Director
5.	Mr. Santi	Maneewong	Director
6.	Mr. Thawatchai	Jirawataungkana	Director

Miss Dullapaporn Pethaisong is the secretary of the Company.

Note : All directors pass Director Accreditation Program (DAP) of Thai Institute of Directors





Authorized Directors who are able to sign in order to bind the Company

Mr. Yodsawee Wattanateerakitja, Mr. Santi Maneewong and Mr. Thawatchai Jirawataungkana two out of three signing together and affix the Company’s seal.

Details of the attendance of the Board of Directors' meetings as of December 31, 2022

	Name		Number of meeting attendance/ All meetings after inauguration 2022
1.	Gen. Suchart	Wongmark <sup>1/</sup>	5/5
2.	Mrs. Pattra	Supanich <sup>1/</sup>	5/5
3.	Lt. Gen. Parinya	Chaidilok <sup>1/</sup>	5/5
4.	Mr. Yodsawee	Wattanateerakitja <sup>1/</sup>	5/5
5.	Mr. Santi	Maneewong <sup>1/</sup>	5/5
6.	Mr. Thawatchai	Jirawataungkana <sup>1/</sup>	5/5

Note : 1/ Appointed as a director at the Extraordinary General Meeting of Shareholders No. 1/2021 at 2 August 2021

Duties and responsibilities of the Board of Directors

The Board of Directors Meeting No. 1/2022 held on February 24, 2022 determined that the Board of Directors has the authority, duty and responsibility to manage the company in accordance with the law, objectives and regulations of the company. as well as legitimate resolutions of shareholders' meetings, with a summary of key powers, duties and responsibilities as follows:

1. Performing duties in accordance with the law Company objectives and regulations as well as the resolutions of the shareholders' meeting with honesty and careful to protect the interests of the Company
2. set policies, goals, plans, business strategies and annual budget
3. Control, supervise and ensure that the management performs in accordance with the established policies and budgets efficiently.
4. Have authority to check and to consider and approve policies, guidelines and operational plans for the company's large investment projects as proposed by the sub-committee or management
5. Have the authority to appoint, assign or suggest sub-committees or working groups to consider or perform any matters that the Board of Directors deems appropriate.
6. Proceed to ensure that the company has an internal control system. and efficient internal auditing Including risk management and reliability of financial reports. by assigning the internal audit unit to be a follow-up and co-operator and coordinate with the audit committee
7. Prepare the annual report of the Board of Directors and is responsible for the preparation and disclosure of financial statements to reflect the financial position and operating results of the past year to be presented to the shareholders' meeting.
8. Organize an annual general meeting of shareholders within 4 months from the end of the company's fiscal year and convene an extraordinary meeting of shareholders when necessary.
9. Arrange for an annual evaluation of the performance of the Board of Directors. In the form of assessment as a group to be used as a framework for reviewing the performance of the Board of Directors.
10. Have the authority to consider and approve any matters necessary and relevant to the Company. or as deemed appropriate for the benefit of the Company





11. Appoint one or more directors or other persons to act on behalf of the Board of Directors. However, such power of attorney The authorized person must not have the authority to approve the transaction that such person or person may have conflicts of interest. ("Person who may have conflicts" shall be defined as defined in the announcement of the Securities and Exchange Commission) having an interest or may have a conflict of interest in any other manner with the Company or its subsidiaries.

except for the following Can be done only after obtaining approval from the shareholders' meeting first.

- Matters required by law to be approved by the shareholders' meeting
  - Transactions where directors have interests and are within the scope of the law Or the regulations of the Stock Exchange of Thailand require approval from the shareholders' meeting.
  - In addition, the following cases must be approved by the Board of Directors' meeting and the shareholders' meeting with a vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote.
    - Sale or transfer of all or important parts of the Company's business to other persons
    - Acquisition or acceptance of transfer of business of other public companies or other private companies
    - making, amending or terminating the contract In connection with the lease of all or important parts of the Company's business Assigning other people to manage the business of the company or the merger of the business with other persons for the purpose of sharing profit and loss
    - Issuance of new shares to pay creditors of the company. according to the Debt to Equity Conversion Scheme
    - reduction of the registered capital of the company by reducing the number of shares or decrease the share value
    - capital increase, capital reduction, issuance of debentures Amalgamation or dissolution of the company
- Any other matters as required by law

In this regard, any matter in which the director has an interest or has a conflict of interest with the Company or its subsidiaries. Directors who have interests or conflicts of interest are not entitled to vote on that matter.

In addition, the Board of Directors has the scope of duties to supervise the Company to comply with the Securities and Exchange Act. regulations of the Stock Exchange of Thailand such as connected transactions Acquisition or disposition of assets according to the regulations of the Stock Exchange of Thailand or as announced by the Securities and Exchange Commission Capital Market Supervisory Board or laws related to the company's business

#### Information about sub-committees

The Board of Directors has appointed 3 sub-committees, namely the Audit Committee. Risk Management Committee and Executive Committee







### Audit Committee

The Audit Committee as of December 31, 2022 consists of 3 members as follows:

	Name	Position
1.	Mrs. Pattra Supanich	Chairperson of Audit Committee and Independent director
2.	Gen. Suchart Wongmark	Audit Committee and Independent director
3.	Lt. Gen. Parinya Chaidilok	Audit Committee and Independent director

All 3 audit committee members are fully qualified to be audit committee members according to the criteria set by the Stock Exchange of Thailand and Mrs. Pattra Supanich is knowledgeable in accounting and finance.

Details of attendance of the audit committee meeting for the year ended December 31, 2022 are as follows:

	Name <sup>1/</sup>	Number of meeting attendance/ All meetings after inauguration in 2022
1.	Mrs. Pattra Supanich	4/4
2.	Gen. Suchart Wongmark	4/4
3.	Lt. Gen. Parinya Chaidilok	4/4

Note: 1/ Appointed as a member of the Audit Committee in the Board of Directors' Meeting No. 6/2021 on July 22, 2021.

All 3 audit committee members are fully qualified to be audit committee members according to the criteria set by the Stock Exchange of Thailand and Mrs. Pattra Supanich is knowledgeable in accounting and finance. (Please see more biographies of the Audit Committee in Attachment 1)

### Duties and responsibilities of the Audit Committee

Board of Directors Meeting The Board of Directors' Meeting No. 1/2022 on February 24, 2022 has determined the scope of the Audit Committee. Duties and responsibilities are as follows:

1. Review the company's financial reporting process. To ensure that it is accurate and adequately disclosed. as well as being reliable according to generally accepted accounting standards
2. Consider, select and nominate an independent person to be the Company's auditor. in order to audit the accounting, control system and financial statements of the company The Audit Committee has the authority and responsibility to select, evaluate, and propose compensation. and supervise the work of the audit firm For the purpose of preparing or issuing audit reports or conducting any other inspections Review or Assurance Services for Companies

Each auditor and audit firm will report directly to the Audit Committee. The Audit Committee has the authority to approve conditions and preliminary fees for audit services and other services offered by the auditor.

3. Meeting to discuss with executives and auditors as appropriate. Regarding audit issues and limitations Including the action of the management to the problem or limitation. and management policy and risk assessment of the Company Including significant financial risks and management's measures to control and reduce such risks. In addition, the audit committee must resolve any conflicts. between management and the auditor involved in the financial report. Including attending a meeting with the auditor without the presence of the management at least once a year.





4. Promote and ensure auditor independence. The audit committee must discuss with the auditor the independence from management and the company. including any relationship or any service between the auditor and the company as well as any other relationship that may affect the objectivity of the auditor.
5. Review the financial reports of the company. accounting standards and accounting policy and significant changes in accounting standards, principles or guidelines including making important accounting decisions that affects the company's financial reports which includes alternative reasonableness and the consequences of such decisions
6. Consider connected transactions or transactions that may have conflicts of interest. to comply with the laws and regulations of the Stock Exchange of Thailand This is to ensure that such transactions are reasonable and in the best interest of the Company.
7. Review and approve or ratify any transaction. between the company and related persons This is a transaction that is required to disclose information in accordance with the rules and regulations of the Securities and Exchange Commission.

**Risk Management Committee**

The Risk Management Committee as of December 31, 2022 consists of 3 members as follows:

	Name	Position
1.	Mr. Yodsawee Wattanateerakitja	Chairperson of Risk Management Committee
2.	Mr. Santi Maneewong	Risk Management Committee
3.	Gen. Suchart Wongmark	Risk Management Committee

Details of attendance at the Risk Management Committee meetings for the period ended December 31, 2022 are as follows:

	Name <sup>1/</sup>	Number of meeting attendance/ All meetings after inauguration in 2022
1.	Mr. Yodsawee Wattanateerakitja	1/1
2.	Mr. Santi Maneewong	1/1
3.	Gen. Suchart Wongmark	1/1

Note: 1/ Appointed as a member of the Audit Committee in the Board of Directors' Meeting No. 6/2021 on July 22, 2021.

**Duties and responsibilities of the Risk Management Committee**

The Board of Directors' Meeting No. 1/2022 on February 24, 2022 determined the scope of the Risk Management Committee Duties and responsibilities are as follows:

1. Define and review policies, frameworks for enterprise risk management.
2. Supervise and support the implementation of enterprise risk management. Align with business strategies and goals including changing circumstances
3. Consider the Enterprise Risk Management Report and give opinions on the risks that may occur Including setting guidelines for controlling or mitigating measures, and developing an organizational risk management system for continuous efficiency.
4. Report corporate risk management results to the Board of Directors for acknowledgment. or important events This may have a significant impact on the Company. Must report to the Board of Directors for acknowledgment and consideration as soon as possible.
5. The Risk Management Committee meeting at least twice a year to consider, discuss and take any action. To accomplish the duties and responsibilities





6. Perform any other duties as assigned by the Board of Directors.

**Board of Directors**

The Executive Committee as of December 31, 2022 consists of 5 members as follows:

	Name <sup>1/</sup>	Position
1.	Mr. Yodsawee Wattanateerakitja	Executive Chairman
2.	Mr. Santi Maneewong	Executive director
3.	Mr. Thawatchai Jirawataungkana	Executive director
4.	Miss Chutikarn Sa-Nga	Executive director
5.	Miss Pichsini Pongprasat	Executive director

Note: 1/ Appointed as a member of the Audit Committee in the Board of Directors' Meeting No. 6/2021 on July 22, 2021.

Details of the Executive Committee meeting attendance for the period ended December 31, 2022 are as follows:

	Name	Number of meeting attendance/ All meetings after inauguration in 2022
1.	Mr. Yodsawee Wattanateerakitja	14/14
2.	Mr. Santi Maneewong	14/14
3.	Mr. Thawatchai Jirawataungkana	14/14
4.	Miss Chutikarn Sa-Nga	14/14
5.	Miss Pichsini Pongprasat	14/14

**Duties and responsibilities of the Executive Committee**

The Board of Directors' Meeting No. 1/2022 held on February 24, 2022 has assigned the Executive Committee the powers, duties and responsibilities as follows:

1. Prepare and present business policies, goals, operational plans business strategy and the annual budget of the company for approval to the Board of Directors
2. Determine business plans, budgets and various executive powers of the company. for approval to the Board of Directors
3. Supervise the business operations of the company in accordance with business policies, goals, operational plans. business strategy and the budget approved by the Board of Directors
4. Have the authority to approve the expenditure of investment funds or operations. Borrowing or applying for any credit from financial institutions lending money as well as becoming a guarantor for normal business transactions of the company And it is for the benefit of operating according to the Company's objectives. within the specified amount. Securities and Exchange Commission Capital Market Supervisory Board or any other laws in related matters as well
5. Determine the organizational structure and management authority. It covers the details of the selection, hiring, transfer, training and termination of employees of the company's management team. or senior management By assigning the Chief Executive Officer of the company to be the authority on behalf of the company to sign the labor contract.
6. Supervise and approve matters related to the company's operations. and may appoint or assign one or more persons to act on behalf of the Executive Board as it deems appropriate And the executive committee can cancel, change or amend that authority.
7. Have the authority to appoint consultants in various fields necessary for the operation of the company or to comply with applicable laws





8. Perform any other duties as assigned by the Board of Directors.

The delegation of duties and responsibilities of the Executive Committee There will be no delegation of authority or delegation of authority that makes the Executive Board or an authorized person from the Executive Committee Able to approve transactions that he or a person may have conflicts of interest have interest or may have any other conflict of interest with the Company or its subsidiaries (As defined in the Notification of the Securities and Exchange Commission). The approval of such transactions must be proposed to the Board of Directors' meeting and/or the shareholders' meeting (depending on the case) to consider and approve such transaction as required by the Company's regulations or relevant laws Except for the approval of transactions with normal business conditions that have a clear scope.

## Information about executives

### List of executives and positions

As of December 31, 2022, the Company has executives according to the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 dated December 15, 2008 (including the amendments) in the amount of 5 persons are as follows:

	Name	Position
1.	Mr. Yodsawee Wattanateerakitja	Chief Executive Officer
2.	Mr. Santi Maneewong	Chief Financial Officer
3.	Mr. Thawatchai Jirawataungkana	Chief Operating Officer
4.	Miss Chutikarn Sa-Nga	Chief Technology Officer
5.	Miss Pichsini Pongprasat	Chief Marketing Officer

### Duties and responsibilities of the Chief Executive Officer

The Board of Directors Meeting No. 1/2022 held on February 24, 2022 determined that the Chief Executive Officer is responsible for managing and controlling the company in accordance with the initial objectives of the company. The Chief Executive Officer must perform duties and be responsible for the operations of the Company both by himself and herself. or assign other executives in the next level to act on their behalf Duties and responsibilities of the Chief Executive Officer are as follows:

1. Prepare long-term plans (3 years) and short-term plans (1 year), including investment plans in various projects, as well as various strategies to support long-term plans to achieve goals.
2. Determine marketing and sales policies and strategies. including a public relations plan and promotional plans to suit domestic and foreign markets
3. Follow up and assess the current business situation and future trends. to develop new business and increase product distribution channels
4. Organization and work with the authority to determine the organizational structure. issuing rules, regulations, orders, circulars, and establishing chains of command and operation chart Determination of authority schedule for operational approval and job level assignment, Job Description and Job Specification





5. Have the authority to conduct any business To be in accordance with the objectives, policies, regulations, orders, as well as the resolutions of the Board of Directors' meeting. or the resolutions of the shareholders' meeting of the company
6. Have the authority to issue orders, rules, announcements, memos to ensure that the operations are in accordance with the policy. and benefits of the company and to maintain work discipline within the organization
7. Follow up and evaluate the company's performance on a daily basis to prepare. and prevent risks that may arise from both external and internal factors
8. Have the authority to act and represent the company to third parties in relevant activities as necessary. and is a normal commercial transaction for the benefit of the company
9. Approval for the appointment of consultants in various fields necessary for the operation of the company or to comply with applicable laws through the Executive Committee and/or the Board of Directors
10. Perform any other duties As assigned by the Board of Directors from time to time

In this regard, the assignment of powers, duties and responsibilities of the Chief Executive Officer It will not look like a mandate. or delegate the power of the Chief Executive Officer or the person authorized by the Chief Executive Officer Able to approve transactions that he or a person who may have conflicts of interest having an interest Or there may be any other conflicts of interest with the Company or its subsidiaries. (As defined in the Notification of the Securities and Exchange Commission). The approval of such transactions must be proposed to the Board of Directors' meeting and/or the shareholders' meeting (depending on the case) to consider and approve such transaction as required by the Company's regulations or relevant laws Except for the approval of transactions with normal business conditions that have a clear scope.

#### Company Secretary

At the Board of Directors Meeting No. 1/2022 held on February 24, 2022, the Board of Directors resolved to appoint Miss Dullapaporn Pethaisong to hold the position of Company Secretary with important responsibilities as follows:

- 1.1 Prepare and keep the following documents
  - (A) Director registration
  - (B) Board meeting notice Board Meeting Minutes and the company's annual report
  - (C) Invitation letter for the shareholders' meeting and minutes of the shareholders' meeting
- 1.2 Keep report of interest reported by the director or executive
- 1.3 Submit a copy of the report on interest under Section 89/14 to the Chairman of the Board and Chairman of the Audit Committee within 7 working days from the date the company receives the report. and the company must provide a document storage system or evidence relating to the disclosure of information. and take care to keep it accurate, complete and verifiable. within a period of not less than 10 years from the date of making such documents or information
- 1.4 Take other actions as specified by the Capital Market Supervisory Board





### Remuneration Policy for Directors and Executives

The Company has a policy to pay remuneration to directors and executives that is appropriate and attractive, mainly taking into account the company's performance and consistency with the same business/industry including the suitability of the duties and responsibilities of each director and executive.

The Company exercises caution in paying remuneration to its executives at an appropriate level, which is a competitive rate in the same business group. In order to take care and maintain quality executives, executives who are assigned more duties and responsibilities will receive additional remuneration that is appropriate for the increased duties and responsibilities. For the remuneration of executive directors and executives, it will be in line with the company's performance and the performance of each executive. It will be presented to the Board of Directors' meeting for approval and at the Annual General Meeting of Shareholders for approval every year.

### Monetary compensation

#### (a) Remuneration for the Board of Directors

The 2022 Annual General Meeting of Shareholders held on March 2, 2022 resolved to determine the remuneration for the Company's directors in 2022 as follows:

Board of Directors	Meeting allowance/time (Baht)	Monthly Remuneration (Baht)
Chairman	15,000	25,000
Chairman of the Audit Committee	15,000	-
Chairman of the Risk Management Committee	15,000	-
Director	10,000	20,000
Audit Committee	10,000	-
Risk Management Committee	10,000	-

The Board of Directors will receive remuneration at such rates and conditions until the shareholders' meeting resolves to change it. As an employee of that company will receive remuneration as a director only for the part of the meeting allowance per time only.







## The total amount of remuneration for executive directors and executives

Directors' remuneration in 2022 is as follows:

Name		2022				Total	Unit: Baht
		Bord of Director	Audit Committee	Risk Management Committee	Monthly remuneration		
Gen. Suchart	Wongmark <sup>1/</sup>	75,000	40,000	10,000	300,000	425,000	
Mrs. Pattra	Supanich <sup>1/</sup>	50,000	60,000	-	240,000	350,000	
Lt. Gen. Parinya	Chaidilok <sup>1/</sup>	50,000	40,000	-	240,000	330,000	
Mr. Yodsawee	Wattanateerakitja <sup>1/2/</sup>	50,000	-	15,000	-	65,000	
Mr. Santi	Maneewong <sup>1/2/</sup>	50,000	-	10,000	-	60,000	
Mr. Thawatchai	Jirawataungkana <sup>1/2/</sup>	50,000	-	-	-	50,000	

Note:

1/ The Company paid remuneration for the Board of Directors and sub-committees according to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2021 held on March 22, 2022.

2/ Such persons are executives in the company and therefore do not receive monthly remuneration.

### Other compensation

- None -

(b) Remuneration for the Executive Committee

- None -

(c) Executive remuneration

List	2022	
	Amount (Person)	Amount (Baht)
Salary and other short-term benefits	5	9,397,234
Post-employment benefits	5	420,642
<b>Total</b>		<b>9,817,876</b>

## Information about employees

### Total number of employees

The total number of employees of the company (Excluding executives) as of December 31, 2022, totaling 80 people.

### Significant change in the number of employees in the past 3 years

- In 2020, the company has restructured the organization by adding new employees, which are Budget and Finance Control Department Engineering Design and Marketing Department Quality Assurance Department Information Technology Department and internal audit department to increase management efficiency with a net increase of 17 employees
- In 2021, the number of employees increased, mainly from the addition of the engineering operations department. to support business growth





- In 2022 The number of employees has increased. The main item comes from the addition of the Engineering

#### Provident fund

The company has established a provident fund. Bualuang Wealth which is a fund management company under the Provident Fund Act B.E. 3 – 15 of each employee's salary While the company will contribute 3 – 8 % of the employee's salary to the provident fund.

#### Labor dispute

As of December 31, 2022, the Company has no labor disputes.

#### Personnel Development Policy

The Company has a policy to organize training and seminars to develop the skills and abilities of personnel. And allow employees to request to attend external training seminars. or as necessary and deemed appropriate by the supervisor.

#### Other Important Information

##### Company Secretary

At the Board of Directors Meeting No. 1/2022 held on February 24, 2022, the Board of Directors resolved to appoint Miss Dullapaporn Pethaisong to hold the position of Company Secretary

Name	Miss Dullapaporn Pethaisong
Position	Company Secretary
Education	Bachelor of Education in English Ramkamhaeng University

##### The person assigned to be directly responsible for supervising the accounting

Name	Mr.Chanchai Thonjaeng
Education	Bachelor of Accountancy Suan Sunandha Rajabhat University

##### Head of Investor Relations

Name	Mr. Santi Maneewong
Email	24con.ir@24con-supply.com
Tel:	02-248-1948 Ex 0

##### Head of Internal Audit

Company name	IA Signature Co., Ltd.
Assigned person's name	Mr.Sutee Tanwanichkul
Education	Master's Degree in Accounting, Special Program Kasetsart University Master of Business Administration, Dhurakij Pundit University Bachelor of Accounting, Dhurakij Pundit University

##### Auditor's remuneration

1. Audit Fee





The Company paid remuneration for auditing and reviewing financial statements for the fiscal year 2020, 2021 and 2022 to the auditor by Details of audit fees are as follows:

			Unit: Baht
Audit Fee	2020	2021	2022 <sup>1/</sup>
1. Annual audit fee	1,350,000	1,350,000	1,400,000
2. Fees for reviewing interim financial statements	900,000	1,050,000	1,200,000
3. Fees for checking working paper in case of IPO	-	-	700,000
<b>Total</b>	<b>2,250,000</b>	<b>2,400,000</b>	<b>3,300,000</b>

Note: 1/ Year 2022 Fee for share price reduction per previous time (Initial Public Offering)

In this regard, persons or businesses related to the auditor and the audit firm are not persons or businesses related to the Company

## 2. Non-audit Fee

The company has paid other service fees (non-audit fees) to the auditor such as travel expenses and other expenses, etc. in 2020, 2021 and 2022, equal to 6,800 baht, 14,900 baht and 19,690 baht respectively.





# Report on the Performance of Corporate Governance

## Summary of the previous year's performance of the committees

### Recruiting, Developing and Evaluating the Performance of the Board of Directors

The Company recruit directors and members of other sub-committees (if any) with the following criteria and procedures:

#### 1) Nomination of Company Directors

The Company does not have a specific nomination committee. Therefore, the Board of Directors will consider on selecting persons to be appointed as directors or executives of the Company which must be a person who has complete qualifications under Section 68 of the Public Limited Company Act B.E. 2535 and the relevant notifications of the Securities and Exchange Commission as required by law as well as considering other factors in combination, such as knowledge, ability, experience related to the business, and contributing to the Company's business operations, etc. The criteria and procedures are as following

1. The Company's directors must perform their duties in accordance with the law, objectives, and regulations of the company including the resolutions of the shareholders' meeting.
2. The Board of Directors consists of not less than 5 directors and not less than half of the directors must reside in the Kingdom. Also, the directors must have qualifications and not have prohibited characteristics according to the law on public limited companies and other relevant laws.
3. The Board of Directors must have independent directors at least one-third of the entire Board of Directors considering that there are no less than 3 persons, all of whom are fully qualified in accordance with the criteria for qualifications of independent directors as specified in the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (Codified).
4. Company directors can hold directorship positions in other companies. However, being such a director must not be an obstacle to the performance of duties as a director of the Company and must be in accordance with the guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand. In this regard, holding a directorship in a listed company must not exceed 5 listed companies.
5. Directors cannot operate a business of the same nature and in competition with the business of the Company or become a partner or director in other juristic persons of the same nature and in competition with the business of the Company, whether for his own benefit or for the benefit of other, unless the director notifies the shareholders' meeting prior to the appointment resolution.
6. Directors and executives must report to the Company about the interest of related persons which is an interest related to the management of the Company or its subsidiaries in accordance with the rules, conditions and procedures prescribed by the Capital Market Supervisory Board.
7. The Chairman of the Board of Directors shall be independent and must not be the same person as the Chief Executive Officer.
8. In every annual general meeting of shareholders, one-third of all directors shall retire from office. If the number of directors cannot be divided exactly into three parts, then the number nearest to one-third shall be issued. The director who has been in office the longest shall retire first. A retired director may be re-elected.





9. Before every annual general meeting of shareholders, the Company will give shareholders an opportunity to nominate a list of persons who will replace the directors who are due to retire by rotation. The Board of Directors will compile such names to consider qualifications according to relevant regulations and select the appropriate list for further submission to the shareholders' meeting for approval.
10. The shareholders' meeting appoints the directors according to the following criteria and methods:
  - 10.1. One shareholder has votes equal to the number of shares holding where one share equals one vote.
  - 10.2. Each shareholder may exercise his/her votes to elect one or more persons to be directors. In the case that several persons are elected as directors, the votes cannot be divided for any individual.
  - 10.3. Persons receiving the highest number of votes in descending order will be elected as directors equally to the number of directors to be or to be elected at that time. In the case that the persons elected in descending order have equal votes, which would otherwise cause the number of directors to be exceeded or will be elected, the person presiding over the meeting shall have a casting vote.
11. In the case that a director's position becomes vacant due to reasons other than retirement by rotation, the Board of Directors may select a person who has qualifications and does not have prohibited characteristics according to the law on public limited companies and Securities and Exchange Act as a substitute director at the next Board of Directors' meeting, unless the remaining term of that director is less than two months. The person who replaces the director will be in the position of director only for the remaining term of the director he replaces. The resolution of the Board of Directors must consist of votes of not less than three-fourths of the number of remaining directors.
12. The shareholders' meeting may pass a resolution to remove any director from office before the expiration of the term with a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote as well as having shares altogether not less than half of the number of shares held by shareholders attending the meeting and having the right to vote.
13. Assign shareholders to approve remuneration for the Board of Directors. The remuneration structure and rate must be appropriate to the responsibilities and to motivate the Board of Directors to lead the organization to operate according to both short-term and long-term goals.

#### Qualifications of the Board of Directors

1. Company Directors must have qualifications and must not have prohibited characteristics as specified in the Public Company Limited Act B.E. 2535 (and as amended) as well as must not have any characteristics that indicate a lack of suitability to be entrusted with managing a publicly held business as specified by the Securities and Exchange Commission. In addition, they must be persons whose names are listed in the director and executive database of the issuing company according to the Notification of the Capital Market Supervisory Board concerning Rules for Listing Names of Persons in the Director and Executive Database of the Company issuing securities.
2. Be a person with integrity, good ethics, good working background, and having enough time to devote knowledge, competence, and fully perform duties for the Company.





3. Have knowledge or experience in business administration or in finance, accounting, or other fields that the Board deems appropriate.
4. Be able to attend every Board of Directors Meeting and Shareholders Meeting, except in case of necessity or force majeure.
5. Directors cannot operate a business of the same nature and in competition with the business of the Company or become a partner or director in other juristic persons of the same nature and in competition with the business of the Company, whether for his own benefit or for the benefit of other, unless the director notifies the shareholders' meeting prior to the appointment resolution.
6. Company directors must notify the Company without delay, if there is an interest in a contract made by the company whether directly or indirectly or holding shares, debentures, increasing or decreasing in the company or affiliated.
7. Other qualifications that may be added to comply with the law and other suitability later.

#### Election of Company Directors and Positions

The election of the Company's directors shall be made by the shareholders' meeting, in accordance with the following criteria:

1. One shareholder has vote equal to 1 share per 1 vote.
2. In electing directors, voting may be used to select individual directors or many directors at a time, as the shareholders' meeting deems appropriate. But, in each resolution, shareholders must vote with all votes they have according to item 1. The votes cannot be divided to any person in any amount. Therefore, shareholders cannot divide their votes in the election of directors, so that any person can be more or less according to Section 70 paragraph one of the Public Company Act (NON-CUMULATIVE VOTING only).
3. In voting for the election of directors, the majority vote is used. If there are equal votes, the chairman of the meeting shall have a casting vote.
4. The Board of Directors shall hold office for a term of 3 years each. Directors retiring under this clause may be re-elected for another term. In addition, to retiring from office by rotation Director vacates office when:
  - (a) dead
  - (b) resign
  - (c) lack of qualifications or having prohibited characteristics under the law on public companies.
  - (d) removal by a resolution of the meeting
  - (e) dismissal by a court order
5. When any director resigns from the position, he/she may submit his or her resignation letter to the Registrar for acknowledgment.
6. Company Directors who willing to take a position as a director of another company must be approved by the Board of Directors.

#### 2) Nomination of Independent Directors

The company selects independent directors by considering the qualifications under the Public Limited Act B.E. 2535, the law on securities and stock exchange Announcement of the Capital Market Supervisory Board including the announcement of regulations and/or related regulations. The company will provide independent directors at least one third (1 in 3) of the total number of directors of the company, but not less than three (3) people. The company has criteria for selecting the executive committee based on qualifications as follows.







### Qualifications of Independent Directors

1. Holding shares not exceeding one (1) percent of the total number of shares with voting rights of the Company, parent company, subsidiary, associated company, major shareholder or controlling person of the company, including the shares held by related persons of that independent director as well.
2. Not being or having been an executive director, employee, staff, advisor who receives regular salary or a controlling person of the company, parent company, subsidiary company, associated company, same-level subsidiary company major shareholder or of the person having control over the company, unless he or she has retired from the aforementioned characteristics for at least two (2) years prior to the date of submission of the application for permission to the SEC Office. However, such prohibited characteristics do not include the case where independent directors used to be government officials or consultant of government agencies which are major shareholders or a controlling person of the Company.
3. Not being a person related by blood or by legal registration as father, mother, spouse, sibling, and child, including spouse of child of other directors, executives, major shareholders controller or a person who will be nominated as a director executive or controlling person of the company or its subsidiaries.
4. Not having or having had a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company in a manner that may obstruct the exercise of independent judgment including not being or having been a significant shareholder or a controlling person of a person having a business relationship with the company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company, unless he/she has retired from such a position for at least two (2) years prior to the date of submission of the application to the SEC Office.

Business relationship under the first paragraph including commercial transactions that are normally done for business operations, renting or renting real estate, transactions relating to assets or services, giving or receiving financial assistance by accepting or lending, guaranteeing, providing assets as collateral for liabilities and other similar behaviors that create a result to the company or the contracted parties to have debts that must be paid to the other party from 3 percent of the net tangible assets of the company or from 20 million baht or more, whichever is lower.

The calculation of such indebtedness shall be in accordance with the method for calculating the value of connected transactions pursuant to the Notification of the Capital Market Supervisory Board concerning Rules for Connected Transactions mutatis mutandis including debt obligations incurred during one (1) year prior to the date of business relationship with the same person.

5. Not being or having been an auditor of the company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company and not being a significant shareholder controller or partners of the audit firm which has auditors of the company, parent company, subsidiaries, associated companies, major shareholders or a controlling person of the company, unless the foregoing status has ended for at least two (2) years prior to the date of filing an application for approval with the SEC Office.
6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives service fees of more than two (2) million baht per year from the Company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company and not being a significant shareholder controller or partner of that





professional service provider as well, unless he or she has retired from such a position for not less than two (2) years prior to the date of filing an application with the SEC Office.

7. Not being a director who has been appointed as a representative of the Company's directors, major shareholder, or shareholders who are related to major shareholders.
8. Not operating a business that has the same nature and is in significant competition with the business of the Company, or its subsidiaries, or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives regular salary or holding more than one (1) percent of the total number of shares with voting rights of any other company which operates a business that has the same nature and is in significant competition with the business of the Company or its subsidiaries.
9. Not having any other characteristics that make him unable to express independent opinions on the operations of the company.

Independent directors may be assigned by the Board of Directors to make decisions about the business operations of the Company, its parent company, subsidiaries, associated companies, same-level subsidiaries, major shareholder, or a controlling person of the company. The decision can be made in the form of a collective decision.

In the case that the person applying for appointment as an independent director is a person who has or used to have a business relationship or provide professional services exceeding the value specified in item 4. or 6., the company shall arrange for the opinion of the Board of Directors to show that it has considered in accordance with Section 89/7 that the appointment of such person does not affect the performance of duties and the giving of independent opinions. The following information was also disclosed in the invitation letter to the shareholders' meeting in the agenda regarding the appointment of independent directors.

- (a) The nature of the business relationship or the provision of professional services which makes such person qualified not in accordance with the specified criteria.
- (b) Reasons and necessity for maintaining or appointing such person as an independent director.
- (c) Opinion of the Board of Directors of the applicant in proposing the appointment of such person as an independent director.

#### Term of Office and Election of Independent Directors

1. An independent committee shall hold office for a term of 3 years and an independent committee who vacates office upon the expiration of the term may be re-appointed and the independent committee should not hold office for more than 3 consecutive terms, unless the Board of Directors considers that holding office for more than 3 consecutive terms does not affect independence qualifications. Independent directors will retire from office when:
  - (a) dead
  - (b) resign
  - (c) lack of qualifications as an independent director according to the charter or according to the rules of the Stock Exchange of Thailand including relevant laws
  - (d) termination of office as a director of the Company
  - (e) a shareholders' meeting or the Board of Directors resolved to retire from office
  - (f) Removal by a court order.
2. Any independent director who wishes to resign from the position must submit a resignation letter to the Chairman of the Board of Directors, which should be notified in writing at least 1 month in advance, together with reasons. The company will notify the resignation together with a copy of





the resignation letter to the Stock Exchange of Thailand. In the case that all independent directors vacate office, the independent committee who vacates office must act in office to continue until a new independent committee takes office.

3. In the case that the independent director position becomes vacant due to reasons other than retirement by rotation, the Board of Directors shall appoint a person who is fully qualified to be an independent director within 90 days in order for the number of independent directors to be completed as specified by the Board of Directors. The replacement independent director can only hold office for the remaining term of the independent director he replaces.

### 3) Nomination of the Audit Committee

The Company has criteria for selecting and appointing members of the Audit Committee according to their qualifications as follows

1. The Audit Committee consists at least three independent Company directors.
2. The audit committee has appropriate skills and expertise according to the assigned mission. At least one member of the Audit Committee must have knowledge, understanding or experience in accounting or finance.
3. The Board of Directors of the Company shall select and appoint one member of the Audit Committee to be the Chairman of the Audit Committee.
4. The manager of the internal audit department or a person with knowledge and competency in the area of internal audit shall be the secretary of the audit committee by position.

#### Qualifications of the Audit Committee

1. Holding shares not exceeding one percent of the total number of shares with voting rights of the Company, parent company, subsidiary company, associated company, major shareholder or controlling persons of the Company, including the shares held by related persons of such Audit Committee as well.
2. Not being or having been an executive director, employee, staff, advisor who receives regular salary or a controlling person of the company, parent company, subsidiary company, associated company, same-level subsidiary company major shareholder or a controlling person of the company, unless he or she has retired from such a position for not less than two years prior to the date of filing the application for approval with the SEC Office. However, such prohibited characteristics do not include the case where the members of the Audit Committee used to be government officials or consultant of government agencies which are major shareholders or a controlling person of the Company.
3. Not being a person related by blood or by legal registration as father, mother, spouse, sibling, and child, including spouse of child of other directors, executives, major shareholders controller or a person who will be nominated as a director executive or controlling person of the company or its subsidiaries (if any).
4. Not having or having had a business relationship with the Company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company in a manner that may obstruct the exercise of independent judgment Including not being or having been a significant shareholder or a controlling person of a person having a business relationship with the company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company Unless he or she has retired from such a position for not less than 2 years prior to the date of filing an application for approval with the SEC Office. Also, the





business relationship as mentioned above Including commercial transactions that are normally done for business operations, renting or renting real estate, transactions relating to assets or services, giving or receiving financial assistance by accepting or lending, guaranteeing, providing assets as collateral for liabilities and other similar behaviors to create a result that the company or the counterparty has an obligation to pay to the other party from 3% of the net tangible assets of the company or from 20 million baht or more, whichever is lower. The calculation of such indebtedness shall be in accordance with the method for calculating the value of connected transactions pursuant to the Notification of the Capital Market Supervisory Board concerning Rules for Connected Transactions mutatis mutandis including debt obligations incurred during the 1 year prior to the date of business relationship with the same person.

5. Not being or having been an auditor of the company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company and not being a significant shareholder controller or partners of the audit firm which has auditors of the company, parent company, subsidiaries, associated companies, major shareholders or a controlling person of the company, unless he or she has retired from such a position for not less than 2 years prior to the date of filing an application with the SEC.
6. Not being or having been a professional service provider, including legal advisor or financial advisor. which receives service fees of more than 2 million baht per year from the Company, parent company, subsidiary company, associated company, major shareholder or a controlling person of the company and not being a significant shareholder controller or partner of that professional service provider as well, unless he or she has retired from such a position for not less than 2 years prior to the date of filing an application with the SEC Office.
7. Not being a director who has been appointed as a representative of the company's directors, major shareholder, or shareholders who are related to the major shareholders of the Company.
8. Not operating a business that has the same nature and is in significant competition with the business of the Company or its subsidiaries or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives regular salary or holds more than one percent of the total number of shares with voting rights of another company which operates a business that has the same nature and is in significant competition with the business of the Company or its subsidiaries (if any).
9. Not having any other characteristics that make him/her unable to express independent opinions on the operations of the company.

#### Term of Office of the Audit Committee

The term of office of the Audit Committee is as follows:

1. The Audit Committee has a term of office of 3 years and the Audit Committee who retires by rotation may be re-appointed in addition to the expiration of the term as mentioned above. The Audit Committee vacates office upon:
  - (a) dead
  - (b) resign
  - (c) lack of qualifications for being an Audit Committee member in accordance with this Charter. or according to the rules of the Stock Exchange of Thailand
  - (d) termination of office as a director of the Company





2. Any member of the Audit Committee who wishes to resign from the position must submit a resignation letter to the Chairman of the Board of Directors, which should be notified in writing at least 1 month in advance, together with reasons, and approved by the Board of Directors. The Company will notify the resignation together with a copy of the resignation letter to the SET. In the case that the entire Audit Committee vacates office, the Audit Committee who vacates office must act in the position to continue until the new Audit Committee takes office.

In the case that the position of the Audit Committee is vacant due to reasons other than the expiration of the term, the Board of Directors shall appoint a person who is fully qualified to be a member of the Audit Committee within 90 days in order for the Audit Committee to have the full number as specified by the Board of Directors. The person who becomes a replacement member of the audit committee can only hold office for the remaining term of the audit committee member he replaces.

#### 4) Nomination of the Risk Management Committee

The Company has criteria for selection and appointment of the Risk Management Committee as follows

1. The Board of Directors appoints the Risk Management Committee by electing from at least 1 member of the Board of Directors and at least 1 member of the Risk Management Committee must be an independent director.
2. Being a person who understands the business and has direct experience in the business in order to formulate risk management policies to cover the entire organization as well as supervising the establishment of a risk management system or process to reduce the impact on the Company's business appropriately.
3. The Risk Management Committee is required to appoint a secretary. The Risk Management Committee may be the head of the business support or the person the Risk Management Committee deems appropriate that such person must support the business or a person whom the Risk Management Committee deems appropriate, such person must support and assist the Risk Management Committee in performing its duties, including preparing meeting agendas and to record the minutes of the Risk Management Committee's meetings.

#### Qualifications of the Risk Management Committee

Risk Management Committee must have the following qualifications:

1. Appointed by the Board of Directors.
2. Possess knowledge, experience and expertise in the company's business, legal and other fields.
3. Being maturity and stability as well as daring to express different opinions and have independence.
4. Able to devote time to work.

#### Term of office of the Risk Management Committee

The term of the Risk Management Committee is not more than 3 years.

#### 5) Nomination of Executive Committee

The Company has criteria for selection and appointment of Executive Committee member as follows





The Board of Directors appoints Executive Committee by selecting from directors or high-ranking executives of the Company who can manage matters related to normal business operations and management of the Company and able to formulate policies, business plans, budgets, management structures including auditing and following up on the Company's performance in accordance with the policies set by the Board of Directors. The Board of Directors of the Company shall appoint the Executive Committee to act in the management of the company by determining the qualifications of the Executive Committee as follows:

#### Qualifications of Executive Committee

1. The Executive Committee member must be a person with knowledge, ability and experience that will be beneficial to the Company's business operations as well, together with being honesty and integrity, having business ethics, and having sufficient time to fully dedicate their knowledge, ability, and duty to the Company.
2. Executive Committee member must have complete qualifications and must not have prohibited characteristics as specified by the law on public limited companies and the law on securities and stock exchange, including relevant announcements, rules and/or regulations and must not have any characteristics indicating a lack of suitability to be entrusted with being a director or executive as specified by the SEC and/or the Capital Market Supervisory Board.

The Board of Directors defines the authority and duties of the Executive Committee as follows

1. Prepare and present business policies, goals, operational plans business strategy and the annual budget of the Company for approval to the Board of Directors.
2. Determine business plans, budgets, and various executive powers of the Company for approval to the Board of Directors
3. Supervise the business operations of the Company in accordance with business policies, goals, operational plans, business strategy, and the budget approved by the Board of Directors.
4. Have the power to approve the expenditures for investment or operations, borrowing or applying for any credit from financial institutions, lending money, as well as becoming a guarantor for normal business transactions of the company and it is for the benefit of operating according to the Company's objectives within the specified amount. However, such action shall be subject to the announcement of the Stock Exchange of Thailand, Securities and Exchange Commission, Capital Market Supervisory Board, or any other laws in related matters as well.
5. Determine organizational structure and management authority which covers the details of the selection, hiring, transfer, training, and termination of employees of the Company's management team or senior management by assigning the Chief Executive Officer of the company to be the authority on behalf of the company to sign the labor contract.
6. Supervise and approve matters related to the Company's operations. and may appoint or assign one or more persons to act on behalf of the Executive Board as it deems appropriate and the executive committee can cancel, change, or amend that authority.
7. Has the power to appoint consultants in various fields necessary for the operation of the company or to comply with applicable laws.
8. Perform any other duties as assigned by the Board of Directors.







Also, the assignment of powers, duties and responsibilities of the Executive Committee will not look like a power of attorney or delegate the power of the Executive Committee or an authorized person from the Executive Committee being able to approve transactions that he/she or a person who may have conflicts of interest having an interest or there may be any other conflicts of interest with the Company or its subsidiaries. (As defined in the Notification of the Securities and Exchange Commission). The approval of such transactions must be proposed to the Board of Directors' meeting and/or the shareholders' meeting (depending on the case) to consider and approve such transaction as required by the Company's regulations or relevant laws Except for the approval of transactions with normal business conditions that have a clear scope.

#### 6) Nomination of Chief Executive Officer

The Company has criteria for selection and appointment of the Chief Executive Officer as follows

The Board of Directors of the Company shall appoint the Chief Executive Officer to act in the management of the company. The qualifications of the Chief Executive Officer are as follows:

##### Chief Executive Officer Qualifications

1. The Chief Executive Officer must be a person with knowledge, competence and experience that will be beneficial to the Company's business operations as well, together with being honesty and integrity, having business ethics, and having sufficient time to fully dedicate their knowledge, ability, and duty to the Company.
2. The Chief Executive Officer must have complete qualifications and must not have prohibited characteristics as specified by the law on public limited companies and the law on securities and stock exchange, including relevant announcements, rules and/or regulations and must not have any characteristics indicating a lack of suitability to be entrusted with being a director or executive as specified by the SEC and/or the Capital Market Supervisory Board.

The Board of Directors defines the authority and duties of the Chief Executive Officer as follows:

1. Prepare long-term (3 year) and short-term (1 year) plans, including investment plans in various projects, as well as setting strategies to support long-term plans to achieve goals.
2. Determine marketing and sales policies and strategies including a public relations plan and promotional plans to suit domestic and foreign markets.
3. Follow up and assess the current business situation and future trends to develop new business and increase product distribution channels.
4. Organization and work with the authority to determine the organizational structure, issuing rules, regulations, orders, circulars, and establishing chains of command flow of operations as well as set Delegation of Authority for operational approval and set job level assignment, job description and job specification.
5. Has the power to conduct any business to be in accordance with the objectives, policies, regulations, orders, as well as the resolutions of the Board of Directors' meeting or the resolutions of the shareholders' meeting of the Company.
6. Has the power to issue orders, rules, announcements, memos to ensure that the operations are in accordance with the policy and benefits of the company and to maintain work discipline within the organization.
7. Follow up and evaluate the company's performance on a daily basis to prepare and prevent risks that may arise from both external and internal factors.





8. Have the authority to act and represent the company to third parties in relevant activities as necessary with the condition that it is normal commercial transaction for the benefit of the company.
9. Approval for the appointment of consultants in various fields necessary for the operation of the company or to comply with applicable laws through the Executive Committee and/or the Board of Directors.
10. Perform any other duties as assigned by the Board of Directors from time to time.

Also, the Power to perform any legal acts that may cause a conflict of interest between the Chief Executive Officer or any interested person with the Company or its subsidiaries as required by the laws and announcements of the Securities and Exchange Commission or of the Stock Exchange of Thailand will not be considered under the scope of authority of the Chief Executive Officer to consider and vote in such juristic acts, either at his own discretion or assigning other persons to act on his own behalf. In that case, the juristic act must be proposed for approval through the Audit Committee to be presented to the Board of Directors and/or the shareholders' meeting (as the case may be) as specified in the Articles of Association of the Company and according to the law.

- **Development**

The Board of Directors has a policy of promoting training and educating the directors involved in the Company's corporate governance system which consists of Board of Directors, Audit Committee, Risk Management Committee, Executive Committee, as well as the executives of the company to continuously improve the performance. If there is a change of director, the Company will provide guidance on the Company's business operations and useful information for the new directors to perform their duties to promote the performance of duties with continuous efficiency under the framework of good corporate governance. In 2022, the Company encouraged the directors to attend the following training courses

- Director Accreditation Program (DAP)
- CFO's Orientation Course
- Security Management Program for Senior Executives (SML)
- Requirements, connections, design, testing, and use: high voltage substations
- Wealth of Wisdom for Top Management

- **Assessment of the performance of the Board of Directors**

The Board of Directors requires that there must be a self-assessment at least once a year, both as a group and as an individual, to help the directors consider and review their work, various problems, and obstacles, then improve with the disclosure of the rules and procedures and overall evaluation results in the annual report.





## Meeting Attendance and Remuneration for Individual Directors

### Meeting Attendance

In 2022, the company held a meeting of the Board of Directors with the details of the meeting attendance of each director as follows.

Details of the attendance of the Board of Directors' meeting in 2022 are as follows:

List of Committees			Number of Meeting Attendance/ All Meetings after Inauguration
1.	Lt.Gen.Suchart	Wongmark <sup>/1</sup>	5/5
2.	Mrs.Pattra	Supanich <sup>/1</sup>	5/5
3.	Lt.Gen.Parinya	Chaidilok <sup>/1</sup>	5/5
4.	Mr.Yodsawee	Wattanateerakitja	5/5
5.	Mr.Santi	Manee Wong <sup>/1</sup>	5/5
6.	Mr.Thawatchai	Jirawataungkana <sup>/1</sup>	5/5

Remark: 1/ Appointed as a director in the Extraordinary General Meeting of Shareholders No. 1/2021 on August 2, 2021.

In the past, the Company had sent all meeting documents in advance for company directors to have sufficient time to study information on various matters and will assign the secretary to the Board of Directors to attend every meeting. The secretary of the Board of Directors will record the minutes of the meeting and sent to the Chairman of the Board of Directors to consider and sign to certify the correctness by proposing to the meeting for approval in the first agenda of the next meeting as well as to collect information or documents related to various meetings for ease of searching and reference later.

- **Remuneration**

Due to the small size of the organization and the small number of personnel of the company, the Company has not appointed the Nomination and Remuneration Committee. On the other hand, the company operates to create checks and balances on such issues through the establishment of a board structure that is balanced through the establishment of a committee consisting of an audit committee that is independent and has no interest in the abovementioned transactions, who are non-executive directors and has no kinship relationship with the executives of the Company. The nomination and remuneration of executives and employees will be considered by the Board of Directors. Thus, the consideration is not for the benefit of any person.

## Monitoring to Ensure Compliance with Corporate Governance Policies and Guidelines

- **Prevention of conflicts of interest.**

The Company gives importance to the consideration of various transactions with transparency and is essentially beneficial to the Company. Therefore, it attaches importance to the prevention of transactions that may cause conflicts of interest, related items, or related transactions. The main principles are as follows.

1. Company directors and executives must notify the Company of their relationship or related transactions in businesses that may cause conflicts of interest.
2. Avoid making related transactions to related person as specified by the Capital Market Supervisory Board that may cause a conflict of interest with the Company and/or its subsidiaries. In the case that such transaction is necessary, the related transaction shall be presented to the Audit Committee to consider and give opinions before proposing to the Board of Directors for approval according to the principles of good corporate governance and the rules set by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.





Directors, executives, and employees must comply with the Company's regulations and business ethics of the Company which is considered an important matter that must be strictly adhered to in order for the company to be trusted and trusted by all stakeholders and disseminating information for understanding the practices of employees throughout the Company.

- **Supervision of the Use of Inside Information**

The Company has policies and procedures to supervise directors and executives in using inside information of the Company which has not yet been disclosed to the public for personal gain Including the trading of securities as follows:

1. The Company has established written guidelines for data protection and prevention of inside information usage for fairness to shareholders, customers, business partners and all stakeholders according to the law and good corporate governance principles.
2. The company prohibits directors, executives, and employees from using inside information that is material to the trading of the company's securities and affects the change in the price of the company's securities, which has not yet been disclosed to the public for their own benefit and those involved.
3. The company requires directors, executives, including executive positions in accounting or finance at the level of department manager or equivalent, and employees in departments that receive insider information to suspend the purchase and/or sale of the Company's securities for one (1) month prior to the Company's disclosure of information regarding its performance and financial position or material news which affects the change in the price of securities until the Company has disclosed such inside information to the public.
4. The company requires directors, executives, including executive positions in accounting or finance at the level of department manager or equivalent to prepare and submit reports on the holding of the Company's securities held by such persons, including their spouses and minor children to the Company Secretary. This must be prepared and delivered within thirty (30) business days after taking office. In addition, directors and senior executives must inform about the purchase or sale of the Company's securities every time by notifying at least one (1) day in advance before trading to the committee or the person assigned by the committee to report to the Securities and Exchange Commission When there is a purchase or sale of securities within three (3) business days, in accordance with the Securities and Exchange Act.
5. The company requires that the directors Prepare and submit reports on stakeholder to the Company Secretary.
6. The company requires directors to report changes in their securities holdings and reports on stakeholder to the Board of Directors Meeting for acknowledgment. The Company Secretary is responsible for preparing information to report to the next Board of Directors' meeting including disclosure of changes in securities holdings of directors and executives during the year in the annual report.
7. The Company attaches importance to the prevention of the use of insider information for unlawful gain or reduce the benefits of the company or cause a conflict of interest which is set out in the policy of good corporate governance Ethics and best practices in work labor contract and regulations related to work.
8. The Company places great importance on maintaining confidential information of customers. Such information shall not be used for the benefit of directors, executives, employees, and related parties, unless it is information that must be disclosed as required by law.





9. The Company places importance on the security of information in the information system by controlling and/or preventing access to the Company's information from third parties and assign access rights to employees at different levels According to the authority and responsibility.
10. In the case that a third party engages in ad-hoc work on information that has not yet been disclosed to the public and is under negotiation which is in the category of keeping inside information that may affect the movement of the company's stock price. Those parties are required to enter into a confidentiality agreement. (Confidentiality Agreement) until information is disclosed to the SET and the Office of the Securities and Exchange Commission.
11. Directors, executives, employees who violate the policy on the use of inside information will be subject to disciplinary action and/or the law depending on the case.

- **Anti-corruption**

The Company gives importance to anti-corruption in all forms with an emphasis on promoting morality create consciousness and correct values in the operation. Therefore, the Company sets out anti-corruption guidelines and communicates them to directors, executives, and employees for their acknowledgment to create knowledge, understanding and strict compliance as follows.

1. Raise awareness, values, and attitudes for employees in performing their duties according to laws and regulations with honesty.
2. All directors, executives, and employees must perform their duties in accordance with the anti-corruption policy without being involved in corruption, whether directly or indirectly and should not be neglected or ignored when encountering actions that fall within the scope of fraud and corruption related to the Company.
3. Provide an efficient and effective internal control system as well as appropriate checks and balances in the exercise of power to prevent employees from being corrupt or being involved in corruption.
4. Set up an effective internal audit system covering finance and accounting to ensure that such financial transactions are accurate, transparent, and verifiable.
5. Company directors, executives, and employees are prohibited from taking any action that is demanding or accept the property or any other benefits for oneself or others that indicate in a way that motivates them to practice or refrain from performing duties in the wrong way or may cause the company to lose legitimate benefits.
6. Set principles for giving or accepting gifts, things or entertainment that may lead to suspicion of fraudulent or bribery behavior. If receiving a gift, it should be reasonable and must not be cash or cash equivalents and must be aware that any action must be under transparency and accountability.
7. Set up procurement regulations, disbursement, or any contract entering given that each step must have clear supporting evidence and appropriate and concise approval authority.
8. Company directors, executives, and employees are prohibited from giving or offering to give assets or any other benefits to third parties to induce that person to act or omit any action that is against the law or wrongful to one's position.
9. Provide a transparent and accurate financial status reporting mechanism.
10. Communicate the anti-corruption policy and guidelines to the directors, executives, and employees at all levels of the Company for their acknowledgment and deep understanding to implement them through various channels such as employee training, internal communication system, etc.





11. Set up a channel for whistle blowing on corruption in case of suspicious incidents leading to fraud and misconduct of the Company's directors, executives, and employees. Details and evidence to the company via website, email or letter.
12. Set up a mechanism to protect the whistleblower against corruption related to the Company by setting the information of the whistleblower to be confidential in case the whistleblower's information is disclosed. Those responsible for such information will be subject to disciplinary action.
13. Set penalties for directors, executives, and employees who engage in corruption or support actions related to corruption. Disciplinary action will be taken as appropriate to the case, such as written warning, wage reduction, suspension, termination of employment and prosecution according to the law, etc.
14. Require audits and reports according to the hierarchy of the line of command of fraudsters until reaching the Risk Management Committee, Audit Committee, Executive Committee, and the Board of Directors.
15. The Risk Management Committee have to assess the potential for fraud to occur including the comprehensive impact of various types of fraud, such as making false financial reports, loss of property, corruption, management override of internal controls, significant changes in reported information, improper acquisition or use of property, etc.

During the year 2022, there were no complaints of fraud and corruption.

- **Whistleblowing**

The Company has established a policy for notifying information or providing clues about corrupt actions or non-compliance with rules, regulations, and articles of association of the Company, and business ethics by specifying complaint methods and channels for reporting information as follows:

Whistle Blowing and Complaints

Whistleblower Chairman of the Audit Committee

via email 24ac@24con-supply.com

via mail Sealed letter to Chairman of the Audit Committee

Twenty-four Con & Supply Public Company Limited

89 AIA Capital Center, 9th Floor, Unit 901, Ratchadaphisek Road, Din Daeng,

Din Daeng, Bangkok, 10400

During the year 2022, no complaints were found.

At the Board of Directors Meeting No. 1/2022 on February 24, 2022, the Board of Directors evaluated the compliance with good corporate governance principles. The Board of Directors deems the Company has complied with good corporate governance principles. However, the Company has not complied with the following matters.

1. Preparation of the Company's website for dissemination of information relating to the Company director information and criteria for giving shareholders the opportunity to submit questions in advance of the meeting date to outsiders including investors in the future that are still in the process.
2. The company has established an anti-corruption policy which was approved by the Board of Directors Meeting No. 6/2021 on July 22, 2021, and has been communicated to the employees but has not yet joined the CAC network, which will be proposed to the Board of Directors for consideration after being listed on the stock exchange.







3. The company has not prepared a sustainability list for disclosure in the annual report which the company will prepare after being listed on the stock exchange.
4. The company is in the process of improving the website, including complaints and clues about wrongdoing on the website. The renovation is expected to be completed in December 2022. The company has set up other channels for reporting complaints and clues about wrongdoing, such as through the postal service and electronic mail.

**Report on performance of the Audit Committee in the Past Year**

- Meeting Attendance

In 2022, the company held a total of 4 audit committee meetings. The members of the Audit Committee who are in office regularly attend meetings and report their performance to the Board of Directors.

Details of attendance of the Audit Committee meeting in 2022 are as follows:

List of Audit Committee <sup>1/</sup>	Number of Meetings Attended/Total Number of Meetings	
	2021	2022
1. Gen. Suchart Wongmark	2/2	4/4
2. Mrs. Pattra Supanich	2/2	4/4
3. Lt. Gen. Parinya Chaidilok	2/2	4/4

Remarks: 1/ Appointed as a member of the Audit Committee in the Board of Directors' Meeting No. 6/2021 on July 22, 2021.

All 3 audit committee members are fully qualified to be audit committee members according to the criteria set by the Stock Exchange of Thailand and Mrs.Pattra Supanich is knowledgeable in accounting and finance. (Please see more biographies of the Audit Committee in Attachment 1)

**Report on Performance of Other Committees**

Report on Performance of the Risk Management Committee

- Meeting Attendance

Details of attendance at the Executive Committee meeting in 2022 are as follows:

List of Risk Management Committee	Number of Attendances / Total Meetings Year	
	2022	
1. Mr. Yodsawee Wattanateerakitja	1/1	
2. Mr. Santi Maneewong	1/1	
3. Gen. Suchart Wongmark	1/1	

- Remuneration

Remuneration for the Risk Management Committee is meeting allowance as follows:

Committees	Meeting Allowance/Time (Baht)
Chairman of the Risk Management Committee	15,000
Director	10,000





### Report on Performance of the Executive Committee

- Meeting Attendance

Details of attendance at Executive Committee meetings in 2022 are as follows:

List of Executive Committee	Number of Attendances / Total Meetings	
	2021	2022
1. Mr.Yodsawee Wattanateerakitja	6/6	14/14
2. Mr.Santi Maneewong	6/6	14/14
3. Mr.Thawatchai Jirawataungkana	6/6	14/14
4. Ms.Chutikarn Sa-nga	6/6	14/14
5. Ms.Phichsini Pongprasat	6/6	14/14

- Remuneration

The company has no remuneration for the executive committee because they are the company's personnel and receive compensation in the form of salary, bonus, and other benefits.





## Internal Control and Related Transactions

### Internal Control

The Company realizes the importance of a good internal control system which will help the business to operate efficiently and effectively. The Company has an Audit Committee and a Risk Management Committee to review the appropriate internal control system and ensure that the internal audit is in line with the principles of good corporate governance. The meeting of the Audit Committee and the Risk Management Committee is conducted to approve transactions related to the Company's internal control system, with auditors, internal auditors and executives attending the meeting as appropriate, in order to present the information to the Audit Committee and the Risk Management Committee for acknowledgment, follow up on progress and find solutions to remarks in order to be able to resolve the remarks in a timely manner.

In this regard, the Company has appointed an internal auditor who is an independent external agency by appointing IA Signature Co., Ltd., which operated by Mr. Sutee Tanwanichkul, who has excellent knowledge and skills in accounting and internal control systems, to act as a consultant in establishing a strong internal control system, as well as eliminating risks and examining abnormal transactions. The Audit Committee has considered that the qualifications mentioned above are sufficient to perform the duty as the Company's internal auditors.

In addition, the company's auditor from PricewaterhouseCoopers ABAS Ltd. has audited the Company's internal control system in relation to the preparation and presentation of the financial statements of the company to ensure the suitability and credibility of financial reports. In the event that the auditor finds additional remarks on the Company's internal control system, the Company will be notified along with suggestions as information for further improvement.

Each of the aforementioned divisions has presented a concrete report showing observations, suggestions, and follow-ups that will result in internal control helping to prevent waste that will occur to the organization.

### The adequacy and suitability of the Company's internal control system

At the Board of Directors Meeting No. 1/2023 on February 27, 2023, with the Audit Committee attending, the Board of Directors assessed the internal control system by asking management about the adequacy of the internal control system of the Company, all 5 parts are

- 1) Organization and Environment
- 2) Risk Management
- 3) Management Operational Control
- 4) Information Systems and Data Communications
- 5) Tracking System

The Board of Directors is of the opinion that the Company has an internal control system that is sufficient and appropriate, including that the Company has a system to monitor and supervise operations that can protect the Company's assets from misuse by executives or without sufficient authority, as well as having an adequate internal control system on transactions with major shareholders, directors, executives, or related persons.





### Observations of the internal control system of the Company by the auditor

PricewaterhouseCoopers ABAS Co., Ltd. is an auditor licensed by the Securities and Exchange Commission, has audited the Company's financial statements. In auditing such financial statements in accordance with generally accepted auditing standards to express an opinion that the financial statements show the financial position, operating results and cash flows are materially correct in accordance with financial reporting standards. For remarks and suggestions on issues and internal control systems in accounting of the Company, the auditor reported such issues to the Audit Committee Meeting No. 1/2023 on February 27, 2023 and the Board of Directors Meeting No. 1/2023 on February 27, 2023 without finding any significant issues.

### Assessment of the internal control system by internal auditors

IA Signature Co., Ltd., the Company's internal auditor, has been appointed to assess, audit and monitor the improvement of the Company's internal control system within the year 2022, by conducting a risk assessment and preparing an annual internal audit plan and conducting audits as well as monitoring the results of system improvements and reporting directly to the Audit Committee continuously with the main objective of evaluating efficiency suitability and adequacy of the internal control system also the compliance with relevant policies and regulations, including the appropriateness and reliability of the Company's financial reports.

Until now, internal auditors have conducted audits to ensure the internal control system covers the assessment of components of internal control (COSO) and assessment of risks from internal control systems in various processes, including:

1. Proposal of project bidding, sale of products and payment of compensation from sales
2. Budget management & purchasing products – materials, equipment and setting up debt – paying
3. Project management
4. After-sales service
5. Warehouse management and scrap management
6. Receipt of payment and revenue recognition from sales and revenue recognition – project cost
7. Project asset control
8. Budget management and financial reporting
9. Human resource management
10. IT general controls (ITGC)

:





Each time of the audit, the internal auditor will issue a quarterly internal control audit report. At present, there are a total of 5 reports and all reports have been presented to the Audit Committee for consideration. The audit results and audit period can be summarized as follows.

Summary of Internal Audit Report

No.	Audit period	Report date	Control Systems
1	October, 8 - 15 2021	November 11, 2021	Proposal of project bidding, sale of products and payment of compensation from sales, Budget management & purchasing products - materials, equipment and setting up debt - paying, Project management, After-sales service, Warehouse management and scrap management, Receipt of payment and revenue recognition from sales and revenue recognition - project cost, Project asset control, Budget management and financial reporting, Human resource management, IT general controls (ITGC)
2	February, 8 - 14 2022	February 24, 2022	Proposal of project bidding, sale of products and payment of compensation from sales, Budget management & purchasing products - materials, equipment and setting up debt - paying, Project management, After-sales service, Warehouse management and scrap management, Receipt of payment and revenue recognition from sales and revenue recognition - project cost, Project asset control, Budget management and financial reporting, Human resource management, IT general controls (ITGC)
3	April, 18 - 26 2022	May 13, 2022	Budget management & purchasing products - materials, equipment and setting up debt - paying, After-sales service
4	May 17 - 23, 2022	August 5, 2022	Project management, Compliance with the Personal Data Protection Act B.E. 2562 (PDPA Compliance)
5	December 12-16, 2022	February 27, 2023	Proposal of project bidding, sale of products and payment of compensation from sales, Budget management & purchasing products - materials, equipment and setting up debt - paying, Project management, After-sales service, Receipt of payment and revenue recognition from sales and revenue recognition - project cost





Criteria for random selection of projects used in auditing, internal auditors will consider the audit plan along with the construction status of the project during that period, for example, if the internal audit plan requires auditing of the sales process and system installation project management which focuses on the budgeting process, budget disbursement, internal auditors will select a random sample of projects that are in the initial construction phase or are under construction because the construction phase is a critical stage for budgeting and disbursement. If the internal audit plan requires auditing of procurement/hiring processes and recording of receipts or equipment control processes for installation, internal auditors will consider randomly selecting projects that are under construction/installation that have been in operation for a while, which will have quite a lot of purchase request documents and gradually receive goods for use in construction/installation, etc. The internal auditors will choose the scope of the audit mainly based on high-value projects that affect the overall performance of the company in each period.

According to the internal audit of the internal auditor, the internal auditor reported that there were no significant risks or impacts from the audit.

#### Head of internal audit of the Company

The Audit Committee Meeting No. 1/2023 held on February 27, 2023 resolved to hire IA Signature Co., Ltd., an outsource company, to perform the duties of an internal control auditor, with Mr. Sutee Tanwanichkul as the head of the internal audit department.

The Audit Committee has considered the qualifications of IA Signature Co., Ltd. and Mr. Sutee Talwanichkul and has an opinion that they are appropriate since they are independent and have qualifications, education and experience in working in internal audit and training in the courses related to the practice of internal auditing, such as the Internal Auditor of Thailand (CPIAT) license, CAC SME Certification, Thailand's Private Sector Collective Action Coalition Against Corruption Project, Certificate of Data Protection Foundation, Data Protection Officer ACIS Professional Center, Association of Internal Auditors of Thailand, etc.

In this regard, the consideration and approval of the appointment, removal, transfer of the head of internal audit of the Company must be approved by the Audit Committee, with the qualifications of the head of the internal audit as shown in [Attachment 2](#).







## Related party transactions

### Information on related party transactions with persons who may have conflicts

The Company has entered into transactions with persons who may have conflicts, where such related transactions are transactions made with directors, executives and/or shareholders of the Company, including transactions with persons who may have conflicts of directors, executives and/or shareholders of the Company.

### Nature of Relationships

The company has entered into transactions with persons who may have conflicts. The connected transactions that occur are transactions with directors, executives and/or shareholders of the Company, including transactions with persons who may have conflicts of directors, executives and/or shareholders. The nature of the relationship between the company and the person who may have conflicts can be summarized as follows

Related party	Nature of Relationships
Mr.Yodsawee Wattanateerakitja	Authorized director and major shareholder of the company, as of December 31, 2022, holds shares representing 24.42 percent of the paid-up capital of 215.00 million baht.
Mr.Santi Maneewong	Authorized director and major shareholder of the company, as of December 31, 2022, holds shares representing 24.42 percent of the paid-up capital of 215.00 million baht.
Mr.Thawatchai Jirawataungkana	Authorized director and major shareholder of the company, as of December 31, 2022, holds shares representing 6.98 percent of the paid-up capital of 215.00 million baht.

### Nature of Related Transactions

Business transactions with persons who may have conflicts the nature and value of related party transactions in 2021 and December 31, 2022 can be summarized as follows:

Related party	Description	Amount (MB)		Necessity and reasonableness
		2021	2022	
Mr.Thawatchai Jirawataungkana	<u>Other payables</u>	0.25	0.013	As of December 31, 2021, the company has an outstanding balance that Mr.Thawatchai Jirawataungkana advances in the amount of 246,535.00 baht, which is a reserve for medical expenses. However, the company refunds the money to the employees who have made advance payments according to the company's procedures/policies.  As of December 31, 2022, the company has an outstanding balance of 12,454.05 baht that Mr. Thawatchai Jirawataungkana advances to pay for various expenses of the company, such as expenses used in the project. and telephone charges, which are in the process of reimbursing employees who have previously paid in accordance with the procedures / policies of the company





**Opinion of the Audit Committee:**

At the meeting of the Audit Committee No. 1/2023 held on February 27, 2023, the Audit Committee acknowledged the transactions between the Company and persons who may have conflicts of interest by requesting a reimbursement of the Company's expenses that the executives/employees have actually paid before which is in accordance with the company's policy It is a normal nature of the Company's business operations. and is a transaction that does not cause the Company to lose any benefit.

Related party	Description	Amount (MB)		Necessity and reasonableness
		2021	2022	
Mr.Yodsawee Wattanateerakitja	<u>Other</u> <u>payables</u>	0.03	0.093	As of December 31, 2021, the company has outstanding balances that Mr. Yodsawee Wattanateerakitja advance payment in the amount of 34,757.40 baht, which is a reserve for various expenses of the company, such as reception fees, telephone charges, etc., and the company repays the advance payment according to the company's procedures / policies.  As of December 31, 2022, the company has outstanding balances that Mr. Yodsawee Wattanateerakitja Advance payment in the amount of 93,443.44 baht, which is a reserve for expenses of the company, entertainment expenses, telephone charges, etc. and is in the process of requesting a refund for employees who have made advance payments according to the procedures / policies of the company.

**Opinion of the Audit Committee:**

At the meeting of the Audit Committee No. 1/2023 held on February 27, 2023, the Audit Committee acknowledged the transactions between the Company and persons who may have conflicts of interest by requesting a reimbursement of the Company's expenses that the executives/employees have actually paid before which is in accordance with the company's policy It is a normal nature of the Company's business operations. and is a transaction that does not cause the Company to lose any benefit.





Related party	Description	Amount (MB)		Necessity and reasonableness
		2021	2022	
Mr.Santi Maneewong	<u>Other payables</u>	0.04	0.025	<p>As of December 31, 2021, the company has an outstanding balance that Mr. Santi Maneewong advances in the amount of 43,963.30 baht, which is a reserve for various expenses of the company, such as reception fees, telephone charges, etc. Company procedures/policies</p> <p>As of December 31, 2022, the company has an outstanding balance of 25,993.46 baht that Mr. Santi Maneewong advances, which is a reserve for expenses of the company such as reception fees, telephone charges, etc. and is in the process of requesting a refund for employees. which has been reserved before according to the procedures / policies of the company</p>
	<u>Short-term loan</u>			<p>As of August 1, 2022, the company recorded a loan from Mr. Santi Maneewong to enhance short-term liquidity as working capital for business operations. The interest is charged at the rate of 4.44% per annum and is scheduled to be repaid on demand.</p> <p>In the 9-month period of 2022, the company has loans from Mr. Santi Maneewong totaling 5,810,000 baht and has already been repaid in full. As a result, as of September 30, 2022, the company has no outstanding loan balance from Mr. Santi Maneewong, but The outstanding balance of interest payment is 10,677 baht.</p> <p>As of December 31, 2022, the company has no outstanding loan balance from Mr. Santi Maneewong and the company proceeded to repay interest in the amount of 10,677 baht according to the company's procedures/policies.</p>
	• Beginning balance	-	-	
	• Loans advanced during period	-	5.81	
	• Loans repayment received	-	(5.81)	
	• Ending balance	-	-	
	• Interest	-	0.01	
	• Interest payable	-	0.01	
	Disposal of Right-of-Use Assets	-	0.64	<p>As of December 31, 2022, the company has sold cars Mercedes-Benz C300 BLUETECH HYBRID registration no. 9 u 5524 to Mr. Santi Maneewong because the car has expired according to use. At a price including VAT in the amount of 635,513 baht, the said price is based on the market price of used cars of the same brand and model.</p>





**Opinion of the Audit Committee:**

At the meeting of the Audit Committee No. 1/2023 held on February 27, 2023, the Audit Committee acknowledged the transactions between the Company and persons who may have conflicts of interest. by requesting a reimbursement of the Company’s expenses that the executives/employees have actually paid before which is in accordance with the company’s policy It is a normal nature of the Company’s business operations. and is a transaction that does not cause the Company to lose any benefit.

**Loan guarantees with financial institutions**

Related party	Description	Amount (MB)		Necessity and reasonableness
		2021	2022	
• Mr.Yodsawee Wattanateerakitja	As a guarantor for a loan totaling 3,000,000 baht with Thai Military Bank Public Company Limited (“TMB”)			Director’s personal guarantee in conjunction with the director’s personal property company deposit and the transfer of rights / authorization to receive payment according to PO, related contract project contracts which is in accordance with the conditions of the contract made with TMB to be used as working capital for business operations
• Mr.Santi Maneewong	(1) Overdraft loan amount of 3,000,000 baht <sup>1</sup>	0.04	-	
	As a guarantor for a loan totaling 10,880,947 baht with Kasikorn Bank Public Company Limited (“KBANK”)			Director’s personal guarantee in conjunction with company deposits which is in accordance with the conditions of the contract made with KBANK to be used as working capital in business operations
	(1) Revolving credit line in the amount of 5,000,000 baht	1.08	-	
	(2) Letter of guarantee in the amount of 5,780,947 baht.	5.78	5.39	
	(3) Long-term loan amount of 100,000 baht	0.06	0.04	





Related party	Description	Amount (MB)		Necessity and reasonableness
		2021	2022	
	As a guarantor for a loan totaling 5,000,000 baht with the Small and Medium Enterprise Development Bank of Thailand Limited ("SME")			It is a personal guarantee of directors together with the Small Industry Credit Guarantee Corporation (TCG), which is in accordance with the conditions of the contract made with SMEs to be used as working capital in business operations.
	(1) Long-term loan amount of 5,000,000 baht	3.14	2.40	
	(2) Long-term loan amount of 4,500,000 baht	-	4.44	
	As a guarantor for a loan totaling 20,209,000 baht with The Thai Credit Retail Bank Public Company Limited ("TCR")			It is a personal guarantee of directors together with the Small Industry Credit Guarantee Corporation (TCG), which is in accordance with the conditions of the contract made with SMEs to be used as working capital in business operations.
	1) Long-term loan amount of 20,209,000 baht <sup>2</sup>	17.83	12.09	
	As a guarantor for a loan totaling 63,000,000 baht with TMB Thanachart Bank Public Company Limited ("TTB")			Director's personal guarantee in conjunction with the director's personal property and company deposits which is in accordance with the conditions of the contract made with TTB to be used as working capital in business operations
	1) Letter of guarantee in the amount of 63,000,000 baht	27.83	27.83	





Related party	Description	Amount (MB)		Necessity and reasonableness
		2021	2022	
• Mr.Yodsawee Wattanateerakitja	As a guarantor for a loan totaling 6,000,000 baht with Bangkok Bank Public Company Limited ("BBL")			It is a personal guarantee of directors together with the Small Industry Credit Guarantee Corporation (TCG), which is in accordance with the conditions of the contract made with SMEs to be used as working capital in business operations.
• Mr.Santi Maneewong				
• Mr.Thawatchai Jirawataungkana	1) Long-term loan amount of 6,000,000 baht	-	4.57	

Note: <sup>1</sup> Mr. Yodsawee Wattanateerakitja guarantees the amount of 1,000,000 baht and guarantees with Mr. Santi. Maneewong in the amount of 2,000,000 baht

<sup>2</sup> Mr. Yodsawee Wattanateerakitja as a guarantor

#### Opinion of the Audit Committee :

At the meeting of the Audit Committee 1/2023 held on February 27, 2023, the Audit Committee acknowledged the transactions between the Company and persons who may have conflicts of interest above. which such items are necessary and reasonable Because it is a guarantee based on the loan conditions of financial institutions, which are used in business operations that benefit the company. There is no fee for guaranteeing the loan.

#### Measures or procedures for approval of related party transactions

The Board of Directors' Meeting No. 1/2022 held on February 24, 2022 resolved to set up policies and procedures for approval of transactions between the Company or its subsidiaries and connected persons. who is a person who may have a conflict of interest having an interest or may have conflicts of interest in the future, such as major shareholders, directors, executives, controlling persons who will be nominated as executives or controlling persons and related persons and close relatives of such persons, etc., taking into account the reasonableness reasonable price and conditions of entering into the transaction This is to be transparent and beneficial to the Company and its subsidiaries. Including giving importance to the prevention of conflicts of interest.

However, when entering related transactions, The Company will comply with the Securities and Exchange Act, regulations, notifications, orders or requirements of the Securities and Exchange Commission. Capital Market Supervisory Board and the Stock Exchange of Thailand involved in such matters Including complying with the requirements regarding the disclosure of connected transactions of the Company or its subsidiaries. According to the accounting standards set by the Federation of Accounting Professions, those who may have a conflict of interest or have a stake in the transaction will not be able to participate or have no right to vote in approving such transactions.

In case that the law requires that the connected transaction be approved by the Board of Directors. or the shareholders' meeting of the company The Company will arrange for the Audit Committee to attend the meeting to consider and give opinions on the necessity of the transaction and the reasonableness of such transaction.







### Measures or procedures for approval of related party transactions

The Board of Directors' meeting has established a policy and procedure for approving transactions between the Company or its subsidiaries and connected persons who may have conflicts of interest or may have conflicts of interest, such as major shareholders, directors, executives, controlling persons, persons who will be nominated as executives or controlling persons and related persons and close relatives of such persons, etc. Taking into account the reasonableness of the price and the conditions of entering into the transaction in order to create transparency and benefit the Company and its subsidiaries, as well as giving importance to the prevention of conflicts of interest.

However, when entering into related transactions, the Company will comply with the Securities and Exchange Act, regulations, notifications, orders or requirements of the Securities and Exchange Commission, the Stock Exchange of Thailand related to such matters. Including complying with the requirements regarding the disclosure of connected transactions of the Company or its subsidiaries according to the accounting standards set by the Federation of Accounting Professions. However, those who may have conflicts of interest or have interests in the transaction will not be able to participate or have no right to vote in approving such transaction.

In the event that the law requires approval of a connected transaction from the Board of Directors or the shareholders' meeting, the Company will arrange for the Audit Committee to attend the meeting to consider and give opinions on the necessity of the transaction and the reasonableness of such transaction.

### Policies or trends for future related party transactions

The Company may enter into related transactions with persons who may have conflicts of interest in the future. If it is a normal business transaction and a normal business supporting transaction with general commercial conditions, the Company will proceed in accordance with the procedures and methods of related party transactions specified above before entering into the transaction. That is, it is in accordance with the principles approved by the Board of Directors as stipulated in the Securities and Exchange Act and strictly complies with the agreed contracts, including setting prices and conditions for transactions clearly, fairly and without causing any conflict of interest.

In the event that there will be connected transactions in the future, the Company will proceed in accordance with the measures for approval of related transactions as mentioned above. However, if there is a related party transaction that requires an opinion from the Audit Committee according to the rules and regulations of the Stock Exchange of Thailand on connected transactions, the Company will ask the Audit Committee to give opinions on the necessity and appropriateness of the related transactions. The Company has no policy to grant loans to persons who may have conflicts of interest or persons related to such persons, except according to the Company's regulations concerning employee welfare or according to the management approval authority or financial assistance to juristic persons in which the company holds shares in proportion to its shareholding. In addition, in the event that the Company has related transactions with persons who may have conflicts as mentioned above, the Company will propose to the Audit Committee to give opinions on the appropriateness of the related transactions, and in the event that the Audit Committee does not have expertise in considering related transactions, the Company will arrange for a person with special expertise such as an auditor or an independent property appraiser to provide additional information. The opinion of the Audit Committee or a person with special expertise will be used to support the decision of the Board of Directors or shareholders, depending on the case, to ensure that the transaction will not transfer of benefits between the Company or persons who may have conflicts of the Company, but it is a transaction that the Company takes into account the best interests of the shareholders.





Reasons why persons who may have conflicts of interest hold shares in subsidiaries and associated companies more than 10.00 % instead of holding shares of the Company directly

None, the Company has no subsidiaries or associated companies.



# 03 Financial Statements





## Responsibilities of the directors for the financial statements for the year 2022

The financial statements of Twenty-Four Con & Supply Public Company Limited have been prepared under the policy of the Board of Directors, which requires compliance with generally accepted accounting principles and record the account carefully to reflect the actual performance of the company. Board of Directors Realize the importance of the quality of financial statements, by providing a review of financial information and provide sufficient additional disclosure of significant information in the notes to the financial statements, and explanations and analysis for the benefit of shareholders and general investors in using the financial statements.

Board of Directors has established a risk management system and maintained an appropriate internal control system sufficient and effective to reasonably ensure that accounting information is accurate, complete, and sufficient to Maintain the company's assets as well as to prevent fraud or misconduct perform a materially abnormal act

In this regard, the Board of Directors has appointed an audit committee which consists of independent directors and non-executive directors Oversees the quality of financial reports in accordance with financial reporting standards. The opinions of the Audit Committee appear in the Audit Committee Report, which has already been shown in this year's annual report. From the said management structure and internal control system, and audit results of certified auditors, allowing the Board of Directors It is believed that the company's financial statements as of December 31, 2022 show the financial position, Performance and cash flow It was correct as it should be in accordance with generally accepted accounting principles.

*-Mr. Yodsawee Wattanateerakitja-*

**Mr. Yodsawee Wattanateerakitja**

Chief Executive Officer

*-Mr. Santi Maneewong-*

**Mr. Santi Maneewong**

Chief Financial Officer





TWENTY-FOUR CON & SUPPLY PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS  
31 DECEMBER 2022





## Independent Auditor's Report

To the shareholders of Twenty-Four Con & Supply Public Company Limited

### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Twenty-Four Con & Supply Public Company Limited (the Company) as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### 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 financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. 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 financial statements of the current period. I determine one key audit matter: Revenue and cost recognition. The matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

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Key audit matter	How my audit addressed the key audit matter
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**Revenue and cost recognition**

Refer to Note 4.15 to the financial statements 'Revenue recognition' and Note 7 'Critical accounting estimates and judgement'

The Company has applied Thai Financial Reporting Standard 15: Revenue from contracts with customers (TFRS15). Recognition of the Company's revenue is complex due to several types of contracts, as well as different conditions in particular contracts.

I focused on this area as revenue recognition involves significant judgement and estimations made by management including the following matters:

- Determined whether contracts contain multiple performance obligations which should be accounted for separately
- Selected the most appropriate method for revenue recognition for each identified performance obligation
- Allocated consideration for an individual performance obligations
- Prepared the budgeted cost and checked with the stage of completion for each project, as well as considered any potential provision for project loss

In addition, I also focused on assessing the direct costs incurred in each project whether they were costs to fulfil the contract or there were the costs used in satisfying performance obligations in the future by assessing their nature of expenses to met the criteria to be capitalised as assets of the Company.

My key audit procedures in relation to revenue and cost recognition included:

- Evaluated the design of internal control over budgeting, and revenue and cost recognition process, and tested the effectiveness of internal controls on the budgeting of the estimated total contract costs. This also included the testing of management's estimated costs to complete the project by inquiring the project engineer or management and inspecting the supporting evidence.
- Tested the effectiveness of internal control over the revenue and cost cycle
- Understood the content of the contracts by reading a sample of contracts to assess whether the revenue recognition method was relevant and consistent with TFRS and had been applied consistently. I focused on the allocation of revenue and cost to individual performance obligations and the timing of revenue recognition when the transfer of control. Where a contract contained multiple elements, I considered that management applied appropriate judgements in assessing the contracts comprising performance obligations, should have been accounted for separately;
- Examined the sampling revenues to evaluate management's significant judgements and estimates in applying the revenue recognition accounting policy to separable performance obligations of contracts over time, using the following methods:
  - Tested the actual costs incurred by examining supporting evidence including certificate of completion and invoices
  - Tested the actual costs incurred but not yet billed from sub-contractors by assessing the appropriateness of the stage of completion with the stage of project completion in the progress report by project engineers to assess the completeness of costs recorded
  - Assessed the appropriateness of service cost estimation by challenging the project engineers and responsible operations and examining relevant supporting evidence.
  - Tested calculations for revenue based on contracts value and the stage of completion.

Based on these procedures, I found that the basis and method of the revenue recognition of each selected contract and how the cost of contracts was recorded reasonably and consistently with supporting documents.







### Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### Responsibilities of the directors for the financial statements

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

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

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

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

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



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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Sanicha Akarakittilap', with a stylized flourish at the end.

**Sanicha Akarakittilap**  
Certified Public Accountant (Thailand) No. 8470  
Bangkok  
27 February 2023





**Twenty-Four Con & Supply Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2022**

	Notes	2022 Baht	2021 Baht
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9, 11	214,672,252	52,866,184
Trade and other receivables, net	10	219,498,472	136,896,794
Contract assets	10	348,599,712	122,614,013
Inventories	12	86,344,593	7,705,570
Other current assets	13	50,242,669	30,490,880
<b>Total current assets</b>		<b>919,357,698</b>	<b>350,573,441</b>
<b>Non-current assets</b>			
Deposits at financial institutions used as collateral	11, 14	23,461,950	17,441,752
Leasehold improvements and equipment, net	15	5,499,891	4,401,659
Intangible assets, net		215,482	236,001
Right-of-use assets, net	16	17,982,378	14,600,768
Deferred tax assets	17	1,825,080	1,392,169
Other non-current assets	18	50,520,056	23,276,352
<b>Total non-current assets</b>		<b>99,504,837</b>	<b>61,348,701</b>
<b>Total assets</b>		<b>1,018,862,535</b>	<b>411,922,142</b>

The notes to the financial statements are an integral part of these financial statements.





Twenty-Four Con & Supply Public Company Limited  
Statement of Financial Position (Cont'd)  
As at 31 December 2022

	Notes	2022 Baht	2021 Baht
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term borrowings			
from financial institutions	19	-	74,346,559
Current portion of long-term loans			
from financial institutions	19	10,615,395	7,277,250
Trade and other payables	20	321,363,985	129,628,938
Contract liabilities	25	19,626,835	24,473,891
Current portion of lease liabilities	19	6,137,627	4,943,066
Other current liabilities		16,145,746	5,537,680
<b>Total current liabilities</b>		<b>373,889,588</b>	<b>246,207,384</b>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions	19	12,928,670	13,753,458
Lease liabilities	19	7,721,320	6,095,479
Employee benefit obligations	21	3,683,941	2,725,215
Other non-current liabilities		11,569,085	6,158,279
<b>Total non-current liabilities</b>		<b>35,903,016</b>	<b>28,732,431</b>
<b>Total liabilities</b>		<b>409,792,604</b>	<b>274,939,815</b>

The notes to the financial statements are an integral part of these financial statements.





**Twenty-Four Con & Supply Public Company Limited**  
**Statement of Financial Position (Cont'd)**  
**As at 31 December 2022**

	Notes	2022 Baht	2021 Baht
<b>Equity</b>			
Share capital			
Authorised share capital			
430,000,000 ordinary shares of par Baht 0.5 each (2021: 1,500,000 ordinary shares of par Baht 100 each)	22	215,000,000	150,000,000
Issued and paid-up share capital			
430,000,000 ordinary shares of Baht 0.5 each paid-up		215,000,000	-
250,000 ordinary shares of Baht 100 each paid-up		-	25,000,000
1,250,000 ordinary shares of Baht 75 each paid-up		-	93,750,000
Premium on paid-up capital	22	365,378,656	-
Retained earnings			
Appropriated - Legal reserve	24	2,675,000	750,000
Unappropriated		23,285,660	14,751,712
Share-based payment		2,730,615	2,730,615
<b>Total equity</b>		<b>609,069,931</b>	<b>136,982,327</b>
<b>Total liabilities and equity</b>		<b>1,018,862,535</b>	<b>411,922,142</b>

The notes to the financial statements are an integral part of these financial statements.







**Twenty-Four Con & Supply Public Company Limited**  
**Statement of Comprehensive Income**  
**As at 31 December 2022**

	Notes	2022 Baht	2021 Baht
Revenues from constructions		675,139,138	396,259,146
Revenues from sales of goods		303,428,451	245,213,944
<b>Total revenue</b>		<b>978,567,589</b>	<b>641,473,090</b>
Cost of constructions		(591,633,755)	(348,960,649)
Cost of sales of goods		(278,430,167)	(214,743,825)
<b>Total cost</b>		<b>(870,063,922)</b>	<b>(563,704,474)</b>
<b>Gross profit</b>		<b>108,503,667</b>	<b>77,768,616</b>
Other income	26	3,695,927	640,491
<b>Profit before expenses</b>		<b>112,199,594</b>	<b>78,409,107</b>
Selling expenses		(15,432,835)	(10,082,935)
Administrative expenses		(60,162,695)	(40,184,251)
<b>Total expense</b>		<b>(75,595,530)</b>	<b>(50,267,186)</b>
<b>Profit before finance costs and income tax expense</b>		<b>36,604,064</b>	<b>28,141,921</b>
Finance costs		(5,067,487)	(2,492,033)
<b>Profit before income tax expense</b>		<b>31,536,577</b>	<b>25,649,888</b>
Income tax expense	28	(7,042,346)	(6,194,310)
<b>Profit for the year</b>		<b>24,494,231</b>	<b>19,455,578</b>

The notes to the financial statements are an integral part of these financial statements.





Twenty-Four Con & Supply Public Company Limited  
 Statement of Comprehensive Income (Cont'd)  
 As at 31 December 2022

	Notes	2022 Baht	2021 Baht
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post-employment benefit obligations		(44,104)	(254,643)
Income tax on items that will not be reclassified to profit or loss		8,821	50,929
<b>Other comprehensive income for the year, net of tax</b>		<u>(35,283)</u>	<u>(203,714)</u>
<b>Total comprehensive income for the year</b>		<u>24,458,948</u>	<u>19,251,864</u>
<b>Earnings per share</b>			
Basic earnings per share (Baht)	29	<u>0.08</u>	<u>0.27</u>

The notes to the financial statements are an integral part of these financial statements.



Twenty-Four Con & Supply Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2022

	Notes	Issued and paid-up share capital Baht	Premium on paid-up capital Baht	Retained earnings		Share-based payment Baht	Total Baht
				Appropriated – Legal reserve Baht	Unappropriated Baht		
<b>Opening balance as at 1 January 2021</b>		25,000,000	-	-	11,249,848	2,730,615	38,980,463
<b>Changes in equity</b>							
Proceeds from shares issued		93,750,000	-	-	-	-	93,750,000
Dividends paid	23	-	-	-	(15,000,000)	-	(15,000,000)
Legal reserve	24	-	-	750,000	(750,000)	-	-
Total comprehensive income for the year		-	-	-	19,251,864	-	19,251,864
<b>Closing balance as at 31 December 2021</b>		<u>118,750,000</u>	<u>-</u>	<u>750,000</u>	<u>14,751,712</u>	<u>2,730,615</u>	<u>136,982,327</u>
<b>Opening balance as at 1 January 2022</b>		118,750,000	-	750,000	14,751,712	2,730,615	136,982,327
<b>Changes in equity</b>							
Proceeds from shares issued	22	65,000,000	365,378,656	-	-	-	430,378,656
Paid-up share capital	22	31,250,000	-	-	-	-	31,250,000
Dividends paid	23	-	-	-	(14,000,000)	-	(14,000,000)
Legal reserve	24	-	-	1,925,000	(1,925,000)	-	-
Total comprehensive income for the year		-	-	-	24,458,948	-	24,458,948
<b>Closing balance as at 31 December 2022</b>		<u>215,000,000</u>	<u>365,378,656</u>	<u>2,675,000</u>	<u>23,285,660</u>	<u>2,730,615</u>	<u>609,069,931</u>

The notes to the financial statements are an integral part of these financial statements.





**Twenty-Four Con & Supply Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2022**

	Notes	2022 Baht	2021 Baht
<b>Cash flows from operating activities</b>			
Profit before income tax		31,536,577	25,649,888
Adjustments for :			
Depreciations		7,726,356	6,959,244
Loss allowance	10	-	287,128
Gain from disposal of right-of-use assets		(1,295,046)	-
Unrealized (gain) loss on foreign exchange rate		(1,431,879)	3,917
Employee benefit expenses	21	914,622	640,682
Interest income	26	(985,026)	(478,816)
Finance costs		5,067,487	2,492,033
Cash flows before changes in operating assets and liabilities		41,533,091	35,554,076
Changes in operating assets and liabilities:			
Trade and other receivables		(82,601,678)	(62,117,619)
Contract assets		(225,985,699)	(118,593,294)
Inventories		(78,639,023)	(3,831,751)
Other current assets		(14,334,640)	(27,895,265)
Other non-current assets		(26,548,646)	(8,433,951)
Trade and other payables		193,045,244	66,926,286
Contract liabilities		(4,847,056)	14,781,550
Other current liabilities		10,608,066	4,364,891
Other non-current liabilities		4,878,553	1,127,242
<b>Cash used in operating activities</b>			
<b>before interest and income tax paid</b>		(182,891,788)	(98,117,835)
Interest paid		(2,243,795)	(941,439)
Income tax paid		(9,926,242)	(6,282,730)
<b>Net cash used in operating activities</b>		(195,061,825)	(105,342,004)

The accompanying notes are an integral part of these financial statements.





**Twenty-Four Con & Supply Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2022**

	Notes	2022 Baht	2021 Baht
<b>Cash flows from investing activities</b>			
Increase in deposits at financial institutions used as collateral		(6,020,198)	(10,922,529)
Payments for equipment		(2,972,408)	(2,346,426)
Payments for intangible assets		(68,520)	(249,920)
Payments for right-of-use assets		(2,009,000)	-
Proceeds from disposal of right-of-use assets		3,310,964	-
Cash received from short-term loans to related parties		-	120,818,051
Payments for short-term loan to related parties		-	(107,666,467)
Interest received		289,968	178,240
<b>Net cash used in investing activities</b>		<b>(7,469,194)</b>	<b>(189,051)</b>
<b>Cash flows from financing activities</b>			
Proceeds from overdrafts	30	14,229,665	74,756,330
Repayments for overdrafts	30	(14,273,020)	(77,723,133)
Proceeds from short-term borrowings from financial institutions	30	100,121,946	88,822,204
Repayments for short-term borrowings from financial institutions	30	(174,425,150)	(19,519,000)
Proceeds from long-term loan from financial institutions	30	10,500,000	20,209,000
Repayments for long-term loan from financial institutions	30	(10,156,400)	(4,608,600)
Proceeds from short-term borrowings from related persons	31 c)	5,810,000	-
Repayments on short-term borrowings from related persons	31 c)	(5,810,000)	-
Payments for principal elements of lease payments	30	(6,383,274)	(5,040,193)
Proceeds from ordinary share issuance		473,250,000	93,750,000
Share issuance expenses		(14,526,680)	-
Dividend paid for the shareholder	23	(14,000,000)	(15,000,000)
<b>Net cash generated from financing activities</b>		<b>364,337,087</b>	<b>155,646,608</b>
<b>Net increase in cash and cash equivalents</b>		<b>161,806,068</b>	<b>50,115,553</b>
<b>Opening balance</b>			
- Cash and cash equivalents		52,866,184	2,750,631
<b>Closing balance</b>		<b>214,672,252</b>	<b>52,866,184</b>
<b>Non-cash transactions</b>			
<b>Significant non-cash transaction for the years ended 31 December 2022 and 2021 are as follows:</b>			
Acquisitions of assets under leases contracts	30	9,203,676	3,560,689

The accompanying notes are an integral part of these financial statements.





## 1 General information

Twenty-Four Con & Supply Public Company Limited (“the Company”) is a limited company, incorporated in Thailand. The address of the Company’s registered office is as follows:

89, AIA Capital Center, 9th Floor, Unit 901, Ratchadaphisek Road, Din Daeng, Bangkok, 10400.

The Company’s principal business operation is to sell and install ventilation and air conditioning systems, electricity systems and plumbing systems as well as maintenance services.

The Company registered to transform to a public limited company on 24 March 2022 with Department of Business Development. As a result, the Company changed its name from Twenty-Four Con & Supply Co., Ltd. to Twenty-Four Con & Supply Public Company Limited.

The financial statements were authorised for issue by the Company’s authorised director on 27 February 2023.

## 2 Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards and the financial reporting requirements issued under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except certain items

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 3 New and amended financial reporting standards

New and amended financial reporting standards effective for the accounting periods beginning on or after 1 January 2022 do not have material impact on the Company.

The Company has not yet early adopted the amended financial reporting standards which are effective beginning on or after 1 January 2023. The Company’s management is currently assessing the impact of adoption of these standards.







## 4 Accounting policies

### 4.1 Foreign currency translation

#### a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

#### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

### 4.2 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand and deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date

### 4.3 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold and/or services performed in the ordinary course of business. They are generally due for settlement within 30 to 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 4.5 (e).





#### 4.4 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the first-in, first-out method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

#### 4.5 Financial assets

##### a) Classification

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

##### b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.





d) Debt instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are two measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Impairment (loss allowance)

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, retention and contract assets, which applies lifetime expected credit loss, from initial recognition, for all trade receivables and contract assets.

To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. The retention receivables and contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the retention receivables and contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP, the unemployment rate, and consumer price index of the countries in which it sells its goods and services to assess, and accordingly adjusts the historical loss rates based on expected changes in these factors.

For other financial assets carried at amortised cost, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.





The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

**4.6 Leasehold improvements and equipment**

All leasehold improvements and equipment are initially recorded at cost. Leasehold improvements and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	5 years
Tools and equipment	5 years
Machinery	5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised other gains or losses, net.





## 4.7 Intangible assets

### Acquired computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 3 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

## 4.8 Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment.

An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

## 4.9 Leases

### Leases - where the Company is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the asset's useful life on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.





The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

#### 4.10 Financial liabilities

##### a) Classification

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

##### c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation / modification results in the derecognition of that financial liability.







Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

#### 4.11 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

##### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.





Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 4.12 Employee benefits

##### *Short-term employee benefits*

Liabilities for short-term employee benefits such as commission and bonuses that are expected to be settled wholly within 12 months after the end of the reporting period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

##### *Defined contribution plan*

The Company pays contributions to a separate fund on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

##### *Defined benefit plans – retirement benefit*

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

#### 4.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.





#### 4.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

#### 4.15 Revenue recognition

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Company's ordinary activities are also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into individual distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

##### a) Sale of goods

The Company sells air conditioner, and equipment for air conditioning system and ventilation system. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### b) Revenue from construction

Revenue from construction contracts or construction-type service contracts or service contracts where a defined output is promised, is recognised using the percentage of completion method. The stage of completion is generally determined as the percentage of cost incurred up until the reporting date relative to total estimated cost.





Where the progress of work is not reliably measured, revenue is only recognised up to the amount of contract costs expensed, provided it is recoverable.

Claims, variations and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

#### *Contract assets and contract liabilities*

A contract asset is recognised where the Company recognised revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Company fulfilled a contractual performance obligation.

For each customer contract, contract liabilities are set off against contract assets.

#### **c) Revenue from maintenance services**

The Company recognised revenue from service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

#### **d) Other income**

Other income is recognised on an accrual basis unless collectability is not probable.

### **4.16 Share-based payment**

For the equity-settled share-based payment, the transactions in which goods or services are received as consideration for equity instruments of the entity should be measured at the fair value of the goods or services received. Only if the fair value of the goods or services cannot be measured reliably would the fair value of the equity instruments at the granted date be used.

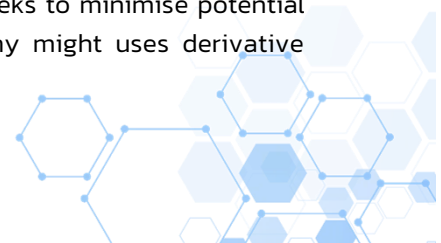
### **4.17 Dividend distribution**

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

## **5 Financial risk management**

### **5.1 Financial risk**

The Company exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programmed focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company might use derivative financial instruments to hedge certain exposures.





## 5.1.1 Market risk

### a) Foreign exchange risk

The Company operates internationally and is exposed to foreign currency risks, primarily the US dollar from purchase of goods that are denominated in foreign currencies. The Company may use forward contracts to hedge their exposure to protect foreign currency risk when necessary. However, the proportion of purchases in foreign currencies were not material compared to total purchase balance.

The Company does not apply hedge accounting.

### b) Cash flow and fair value interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term loans to related parties, short-term borrowings and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, which expose the Company to cash flow interest rate risk. However, the Company will use interest rate swap to management the risk when necessary.

The Company does not apply hedge accounting.

The exposure of the Company's borrowings to interest rate at the end of the reporting period are as follows:

	2022		2021	
	Baht	% per total borrowings	Baht	% per total borrowings
Bank overdraft and short-term loan from financial institutions at floating rate	-	-	74,346,559	78
Long term loan from financial institutions at floating rate	18,971,852	81	21,030,708	22
Long term loan from financial institutions at fixed rate	4,572,213	19	-	-
	23,544,065	100	95,377,267	100

## 5.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost as well as credit exposures to customers, including outstanding receivables.





**a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'BBB' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

**b) Security**

For some trade receivables the Company may obtain security in the form of letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

**c) Impairment of financial assets**

The Company has the following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- trade and other receivables
- deposits at financial institutions used as collateral
- retention receivables (presented under other current and non-current assets)

While cash and cash equivalents and deposit at financial institutions used as collateral are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

*Trade receivables, retention receivables and contract assets*

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables, retention receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for retention receivables and the contract assets.







The Company write-off trade receivables and contract assets when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments or cannot be contacted for a period greater than 365 days past due.

Impairment losses on trade receivables, retention receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

#### *Other receivables*

The Company has other receivables measured at amortised cost. The 12-month expected credit loss allowance was recognised for those loans without any significant increase in credit risk. The lifetime expected credit loss was recognised for those loans with significant increase in credit risk.

### 5.1.3 Liquidity risk

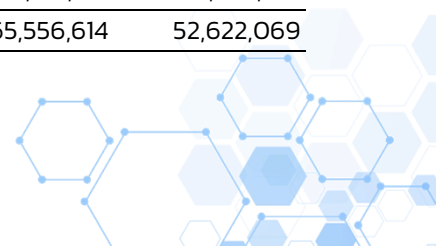
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 214.67 million (2021: Baht 52.87 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

#### a) Financing arrangements

The Company has access to the following undrawn credit facilities as at 31 December as follows:

	2022	2021
	Baht	Baht
<b>Floating rate</b>		
Over than 1 year		
– Bank overdraft	3,000,000	2,956,645
– Short-term loan from financial institutions	5,000,000	23,916,796
– Combined short-term loan from financial institutions	35,165,462	17,385,462
– Letter of credit	22,391,152	8,363,166
	<b>65,556,614</b>	<b>52,622,069</b>




**b) Maturity of financial liabilities**

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities.

The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year Baht	1 – 5 years Baht	Over 5 years Baht	Total Baht	Booked value Baht
<b>As at 31 December 2022</b>					
Trade and other payables	321,363,985	-	-	321,363,985	321,363,985
Lease liabilities	6,658,452	8,157,408	-	14,815,860	13,858,947
Long-term loans from financial institutions	12,066,000	12,821,876	815,938	25,703,814	23,544,065
Other non-current liabilities	-	12,234,683	-	12,234,683	11,569,085
<b>Total</b>	<b>340,088,437</b>	<b>32,213,967</b>	<b>815,938</b>	<b>374,118,342</b>	<b>370,336,082</b>

	Within 1 year Baht	1 – 5 years Baht	Over 5 years Baht	Total Baht	Booked value Baht
<b>As at 31 December 2021</b>					
Bank overdrafts	43,355	-	-	43,355	43,355
Short-term loan from financial institutions	74,303,204	-	-	74,303,204	74,303,204
Trade and other payables	123,874,978	-	-	123,874,978	123,874,978
Lease liabilities	5,334,738	6,346,693	-	11,681,431	11,038,545
Long-term loans from financial institutions	9,066,000	14,913,825	-	23,979,825	21,030,708
Other non-current liabilities	-	7,556,560	-	7,556,560	6,158,279
<b>Total</b>	<b>212,622,275</b>	<b>28,817,078</b>	<b>-</b>	<b>241,439,353</b>	<b>236,449,069</b>





5.2 Capital management

5.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on gearing ratio which is determined by dividing net debt with equity.

The gearing ratios at 31 December are as follows:

	2022	2021
	Baht	Baht
Net debt	409,792,604	274,939,815
Equity	609,069,931	136,982,327
<b>Net debt to equity ratio</b>	<b>0.67</b>	<b>2.01</b>

6 Fair value

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price or closing price by reference to the Stock Exchange of Thailand or the Thai Bond Dealing Centre.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The carrying amount of financial assets and financial liabilities is considered to be the same as their fair value due to the short-term nature. Fair value of short-term borrowings from financial institutions and current portion of long term borrowings from financial institutions are equal to their carrying amounts, as the impact of discounting is not material. The fair value of the long-term borrowings from financial institutions is close to the carrying amount because these are floating-rate loans.

There were no transfers between levels during the year.





## 7 Critical accounting estimates and judgement

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstance.

### a) Revenue recognition

The Company needs to estimate the stage of completion of works under contracts with customers to recognised revenue. The progress of work is generally determined as the percentage of cost incurred up until the reporting date relative to total estimated cost. Total estimated cost of project is estimated by engineers who is responsible for each project, and is subjected to change subsequent to original estimation.

### b) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 21.

### c) Determination of lease terms

Critical judgement in determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Company considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

### d) Determination of discount rate applied to leases

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.





#### e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. The impairment of financial assets are disclosed in note 10.

## 8 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker (CODM). CODM is chairman of Executive committee and managing director who make decisions about the allocation of resources to the segment and assess its performances. The Company and its associate operate under 2 operating segments as follows:

### 1. Services segment

- 1.1 Service render for construction of heating, ventilation, and air conditioning systems, electricity systems and plumbing systems
- 1.2 Service render for maintenance services.

### 2. Sales segment

- 2.1 Sales and installation heating, ventilation, and air conditioning, electricity systems and plumbing systems equipment.





Significant information relating to revenue and profit of the reportable segments are as follows.

	Services segment		Sales segment		Total	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Revenue from sales and rendering services	675,139,138	396,259,146	303,428,451	245,213,944	978,567,589	641,473,090
Cost of sales and rendering services	(591,633,755)	(348,960,649)	(278,430,167)	(214,743,825)	(870,063,922)	(563,704,474)
<b>Gross profit</b>	83,505,383	47,298,497	24,998,284	30,470,119	108,503,667	77,768,616
Other income					3,695,927	640,491
Selling expenses					(15,432,835)	(10,082,935)
Administrative expenses					(60,162,695)	(40,184,251)
Finance costs					(5,067,487)	(2,492,033)
<b>Net profit before income tax</b>					31,536,577	25,649,888
Income tax					(7,042,346)	(6,194,310)
<b>Profit for the year</b>					24,494,231	19,455,578
<b>Timing of revenue recognition:</b>						
At a point in time	-	-	303,428,451	245,213,944	303,428,451	245,213,944
Over time	675,139,138	396,259,146	-	-	675,139,138	396,259,146
	675,139,138	396,259,146	303,428,451	245,213,944	978,567,589	641,473,090





**Major customers information**

Details of major customers for the year period ended 31 December 2022 are as follows:

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Customer 1	618,818,117	488,628,432
Customer 2	51,493,624	52,485,734
Customer 3	250,737,104	-
<b>Total</b>	<b>921,048,846</b>	<b>541,114,166</b>

**9 Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Cash on hand	400,000	400,000
Short-term bank deposits	214,272,252	52,466,184
<b>Total</b>	<b>214,672,252</b>	<b>52,866,184</b>

**10 Trade and other receivables and contract assets**

**10.1 Trade and other receivables**

	<b>2022</b>	<b>2021</b>
	<b>Baht</b>	<b>Baht</b>
Trade receivables – third parties	212,948,967	132,709,826
Less Loss allowance	(2,303,321)	(2,303,321)
<b>Total trade receivables, net</b>	<b>210,645,646</b>	<b>130,406,505</b>
Other receivables – third parties	1,174,541	494,265
Other receivables – employees	38,201	-
Accrued income	-	3,339,140
Prepayments	7,430,009	2,099,944
Deposits	210,075	556,940
	<b>219,498,472</b>	<b>136,896,794</b>







## 10.2 Contract assets

Details of contracts assets are as follows:

	2022 Baht	2021 Baht
Contract costs to date	784,871,674	299,371,007
Recognised profits to date	122,415,718	47,407,870
Contract costs incurred and recognised profits to date	907,287,392	346,778,877
Less Progress billings	(558,400,552)	(223,877,736)
Less Loss allowance	(287,128)	(287,128)
Total contract assets	348,599,712	122,614,013

Contract assets are revenue arises from unbilled contracts that the Company made with customers. Contact assets are due within 12 months.

## 10.3 Impairments of trade receivables and contract assets

The loss allowance for trade receivables and contract assets was determined as follows:

As of	Not yet due Baht	Up to 3 months Baht	3 – 6 months Baht	6 – 12 months Baht	More than 12 months Baht	Total Baht
31 December 2021						
Gross carrying amount						
- trade receivables	41,392,189	88,494,590	-	519,726	2,303,321	132,709,826
- contract assets	122,454,612	-	-	282,671	163,858	122,901,141
Loss allowance	-	-	-	(123,270)	(2,467,179)	(2,590,449)
31 December 2022						
Gross carrying amount						
- trade receivables	89,863,555	112,067,015	8,565,276	149,800	2,303,321	212,948,967
- contract assets	140,415,589	74,737,649	49,451,588	83,994,886	287,128	348,886,840
Loss allowance	-	-	-	-	(2,590,449)	(2,590,449)





The loss allowances for trade receivables and contract assets as at 31 December reconcile to the opening loss allowances as follows:

	Trade receivables Baht	Contract assets Baht
<b>Opening loss allowance at 1 January 2021</b>	2,303,321	-
Increase in loss allowance recognised in profit or loss during the year	-	287,128
<b>Closing loss allowance at 31 December 2021</b>	2,303,321	287,128
Increase in loss allowance recognised in profit or loss during the year	-	-
<b>Closing loss allowance at 31 December 2022</b>	2,303,321	287,128

## 11 Financial assets and financial liabilities

As at 31 December, classification of the Company's financial assets and financial liabilities are as follows:

	2022 Baht	2021 Baht
<b>Financial assets</b>		
Financial assets at amortised cost		
- Cash and cash equivalents	214,672,252	52,866,184
- Trade and other receivables	212,068,463	134,796,850
- Other current assets	3,588,887	699,080
- Deposit at financial institutions used as collateral	23,461,950	17,441,752
- Other non-current assets	42,805,473	20,926,911
<b>Financial liabilities</b>		
Liabilities at amortised cost		
- Bank overdrafts and short-term borrowings from financial institutions	-	74,346,559
- Trade and other payables	321,363,985	129,628,938
- Other current liabilities	3,674,346	264,570
- Long-term borrowings from financial institutions	23,544,065	21,030,708
- Lease liabilities	13,858,947	11,038,545
- Other non-current liabilities	11,569,085	6,158,279





## 11.1 Other financial assets at amortised cost

### a) Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Book value of financial assets at amortised cost are shown in the table above

### b) Fair value of financial assets at amortised cost

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

### c) Loss allowance

The loss allowance for retention receivables presented in current and non-current assets was determined as follows:

	2022			2021		
	Current Baht	Non- current Baht	Total Baht	Current Baht	Non- current Baht	Total Baht
Retention receivables	3,588,887	42,416,889	46,005,776	699,080	21,059,112	21,758,192
Less:						
Loss allowance	-	(788,862)	(788,862)	-	(788,862)	(788,862)
Total	3,588,887	41,628,027	45,216,914	699,080	20,270,250	20,969,330

The loss allowances for retention receivables as at 31 December reconcile to the opening loss allowances as follows:

	Retention receivables Baht
Opening loss allowance at 1 January 2021	788,862
(Reversal) Increase In loss allowance recognised in profit or loss during the year	-
Closing loss allowance at 31 December 2021	788,862
Increase In loss allowance recognised in profit or loss during the year	-
Closing loss allowance at 31 December 2022	788,862





## 12 Inventories

	2022	2021
	Baht	Baht
Work in progress	15,211,014	7,322,049
Finished goods	69,041,724	383,521
Goods in transit	2,091,855	-
<b>Total</b>	<b>86,344,593</b>	<b>7,705,570</b>

Inventories recognised as an expense in profit or loss during the years ended 2022 and 2021 were Baht 278,430,167 and Baht 214,743,825, respectively.

## 13 Other current assets

	2022	2021
	Baht	Baht
Deposits for purchased of goods and construction materials	14,419,839	18,745,085
Input vat	24,533,004	7,873,116
Undue input vat	7,419,415	2,654,075
Retention receivables – current	3,588,887	699,080
Others	281,524	519,524
<b>Total</b>	<b>50,242,669</b>	<b>30,490,880</b>

## 14 Deposits at financial institutions used as collateral

As at 31 December 2022, the Company had guaranteed for bank credit facilities and letter of guarantee amounting to Baht 23,461,950 (2021: Baht 17,441,752).




**15 Leasehold improvements and equipment, net**

	Leasehold improvements Baht	Tools and equipment Baht	Machinery Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Total Baht
<b>As at 1 January 2021</b>						
Cost	573,568	674,396	-	1,906,849	44,000	3,198,813
Less Accumulated depreciation	(152,741)	(177,587)	-	(495,421)	(12,657)	(838,406)
Net book amount	420,827	496,809	-	1,411,428	31,343	2,360,407
<b>For the year ended 31 December 2021</b>						
Opening net book amount	420,827	496,809	-	1,411,428	31,343	2,360,407
Transfer from right-of-use assets, net	-	-	-	-	889,336	889,336
Additions	-	1,350,117	63,600	1,193,196	89,720	2,696,633
Depreciation charge	(114,714)	(319,154)	(2,376)	(469,533)	(638,940)	(1,544,717)
Closing net book amount	306,113	1,527,772	61,224	2,135,091	371,459	4,401,659
<b>As at 31 December 2021</b>						
Cost	573,568	2,024,513	63,600	3,100,045	4,263,589	10,025,315
Less Accumulated depreciation	(267,455)	(496,741)	(2,376)	(964,954)	(3,892,130)	(5,623,656)
Net book amount	306,113	1,527,772	61,224	2,135,091	371,459	4,401,659





	Leasehold improvements Baht	Tools and equipment Baht	Machinery Baht	Furniture, fixtures and office equipment Baht	Vehicles Baht	Total Baht
<b>For the year ended 31 December 2022</b>						
Opening net book amount	306,113	1,527,772	61,224	2,135,091	371,459	4,401,659
Transfer from right-of-use assets, net	-	238,536	-	2,733,872	-	2,972,408
Depreciation charge	(114,713)	(424,490)	(12,719)	(1,028,484)	(293,770)	(1,874,176)
Closing net book amount	191,400	1,341,818	48,505	3,840,479	77,689	5,499,891
<b>As at 31 December 2022</b>						
Cost	573,568	2,263,049	63,600	5,833,917	4,263,589	12,997,723
Less Accumulated depreciation	(382,168)	(921,231)	(15,095)	(1,993,438)	(4,185,900)	(7,497,832)
Net book amount	191,400	1,341,818	48,505	3,840,479	77,689	5,499,891




**16 Right-of-use assets, net**

As at 31 December, right-of-use asset balance are as follows:

	2022 Baht	2021 Baht
Building	1,545,756	2,742,977
Vehicles	11,287,271	10,031,575
Machinery	4,818,836	1,770,750
Office equipment	330,515	55,466
<b>Total</b>	<b>17,982,378</b>	<b>14,600,768</b>

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	2022 Baht	2021 Baht
Depreciation charge of right-of-use assets:		
Building	1,337,026	1,303,003
Vehicles	3,546,236	3,345,488
Machinery	807,017	678,162
Office equipment	72,861	73,955
<b>Total</b>	<b>5,763,140</b>	<b>5,400,608</b>
 Addition to the right-of-use assets during the year	 <b>10,942,819</b>	 <b>3,560,689</b>
 Total cash outflow for leases	 <b>8,222,199</b>	 <b>7,157,196</b>
 Interest paid under lease liabilities	 426,588	 427,427
Expense relating to short-term leases	2,412,702	1,689,576






**17 Deferred income taxes**

The movement in deferred tax assets and liabilities during the year is as follows:

	1 January 2021 Baht	Increase (decrease) in profit and losses Baht	Increase (decrease) in other comprehensive income Baht	31 December 2021 Baht
<b>Deferred tax assets:</b>				
Allowance for investment in associates	50,000	(50,000)	-	-
Retention	89,806	39,227	-	129,033
Employee benefits obligations	365,978	128,137	50,929	545,044
Revenue from sales	915,117	(636,757)	-	278,360
Lease liabilities	-	16,141	-	16,141
Accrued commission	-	423,591	-	423,591
Total deferred tax assets, net	1,420,901	(79,661)	50,929	1,392,169
	1 January 2022 Baht	Increase (decrease) in profit and losses Baht	Increase (decrease) in other comprehensive income Baht	31 December 2022 Baht
<b>Deferred tax assets:</b>				
Retention	129,033	(118,886)	-	10,147
Employee benefits obligations	545,044	182,924	8,821	736,789
Revenue from sales	278,360	(197,789)	-	80,571
Lease liabilities	16,141	(643)	-	15,498
Accrued commission	423,591	558,484	-	982,075
Total deferred tax assets, net	1,392,169	424,090	8,821	1,825,080




**18 Other non-current assets**

	2022	2021
	Baht	Baht
Retention receivables, net	41,628,027	20,270,250
Deposits	1,177,446	656,661
Refundable withholding tax	7,714,583	2,349,441
<b>Total</b>	<b>50,520,056</b>	<b>23,276,352</b>

**19 Borrowings**

	2022	2021
	Baht	Baht
<b>Current</b>		
Bank overdrafts	-	43,355
Short-term borrowings from financial institutions	-	74,303,204
Current portion of long-term borrowings from financial institutions	10,615,395	7,277,250
Current portion of finance lease liabilities	6,137,627	4,943,066
<b>Total current borrowings</b>	<b>16,753,022</b>	<b>86,566,875</b>
<b>Non-current</b>		
Long-term borrowings from financial institutions	12,928,670	13,753,458
Lease liabilities	7,721,320	6,095,479
<b>Total non-current borrowings</b>	<b>20,649,990</b>	<b>19,848,937</b>
<b>Total borrowings</b>	<b>37,403,012</b>	<b>106,415,812</b>

The short-term and long-term borrowings from financial institutions denominated in Thai Baht and pledged with the deposits at financial institutions and the director. The borrowings bear interest rates during the year as follows:

	2022	2021
Bank overdrafts	MOR-1.5	MOR-1.5
Short-term borrowings from financial institutions	MLR-1.5	MLR-1.5
Long-term borrowings from financial institutions	MLR-3.875 to MLR+2.0, MRR+4.7 and 2.0 to 7.5	MLR-3.875 and MRR+4.7

The fair value of the borrowings is equal to the carrying amount, as the loans have a floating interest rate





## 20 Trade and other payables

	2022	2021
	Baht	Baht
Trade payables – Third parties	308,056,207	89,600,959
Other payables – Third parties	3,384,552	5,730,608
– Related persons (Note 31 (b))	131,831	325,256
Accrued expenses	4,277,682	31,657,662
Accrued commission	5,497,453	2,117,958
Accrued construction cost	16,260	196,495
	321,363,985	129,628,938

## 21 Employee benefit obligations

	2022	2021
	Baht	Baht
Statement of financial position:		
– Retirement benefits	3,683,941	2,725,215
Profit or loss charge included in operating profit for:		
– Retirement benefits	914,622	640,682
Remeasurement for:		
– Retirement benefits	44,104	254,643

The movement in the obligations for retirement benefit are as follows:

	2022	2021
	Baht	Baht
At 1 January	2,725,215	1,829,890
Current service cost	835,863	607,379
Interest cost	78,759	33,303
	3,639,837	2,470,572
Remeasurement		
(Gain) Loss from change in financial assumptions	(323,902)	(38,298)
Loss from change in plan experience	368,006	292,941
	44,104	254,643
At 31 December	3,683,941	2,725,215





The Company engaged independent actuary to calculate its defined benefit obligation. The significant actuarial assumptions used were as follows:

	2022	2021
Discount rate	3.54%	2.89%
Future salary increase rate	6%	6%
Employee turnover rate	1.91% - 22.92%	1.91% - 22.92%

Sensitivity analysis for each significant assumption used is as follows:

	Impact on defined benefit obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2022	2021	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Discount rate	1%	1%	(459,136)	(359,262)	557,785	438,455
Future salary increase rate	1%	1%	537,952	419,908	(453,329)	(352,708)
Employee turnover rate	20%	20%	(348,877)	(275,177)	425,860	337,004

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised in the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 20 years (2021: 20 years).

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2022 Retirement benefits	-	-	1,001,152	5,305,210	6,306,362
At 31 December 2021 Retirement benefits	-	-	-	4,291,544	4,291,544



## 22 Share capital

Movements of share capital for year are as follows:

	Authorised share capital		Issued and Paid-up share capital			
	Number of shares	Par value Baht	Total	Number of shares	Paid-up share capital Baht	Premium on paid-up capital Baht
			Baht			
As at 1 January 2022	1,500,000	100	150,000,000	1,500,000	118,750,000	-
Paid-up shares during the period	-	-	-	1,250,000	31,250,000	-
Change of par value	300,000,000	0.50	150,000,000	300,000,000	150,000,000	-
Issuance of shares	130,000,000	0.50	65,000,000	130,000,000	65,000,000	377,000,000
Share issuance expenses, net	-	-	-	-	-	(11,621,344)
As at 31 December 2022	430,000,000	0.50	215,000,000	430,000,000	215,000,000	365,378,656

On 31 January 2022 and 3 March 2022, the Company received a partial paid-up share at Baht 10 each and Baht 15 each, respectively.

An extraordinary shareholders meeting no. 1/2565 on 22 March 2022, it passed a resolution for the following matters;

- 1) The change of a par value of Baht 100 to Baht 0.50 by split one ordinary shares to 200 ordinary shares. As a result, the Company will have ordinary shares totaling 300,000,000 shares.
- 2) The increase for authorised share capital from 300,000,000 shares with a par value of Baht 0.50 to 430,000,000 shares with a par value of Baht 0.50. The purpose of the share issuance is for the first initial public offering and listing in the Market for Alternative Investment stock of exchange.

The Company registered the change in par value and the increase in share capital with the Ministry of Commerce on 24 March 2022.

On 28 September 2022, the Company initial public offered its ordinary shares of 130 million shares, with the par value of Baht 0.50 per share. The offering price was Baht 3.40 per share, totalling Baht 442 million. The Company registered the fully paid-up share capital with the Ministry of Commerce on 28 September 2022. Directly attributable expenses of the initial public offering amounted to Baht 11.61 million were presented deducting from premium on share capital in the statement of change in equity. Directly attributable expenses to the initial public offering are presented net of tax.

## 23 Dividend

At annual general shareholder meeting on 2 March 2022, shareholders approved the payment of annual dividend from retained earnings and net profit for year ended 31 December 2021 at Baht 10.6667 per share for the fully paid-up shares and at Baht 9.0667 per share for partially paid-up shares, totaling Baht 14 million and appropriate its retained earnings to legal reserve according to the Civil and Commercial Code amounting to Baht 0.7 million.

At the Board of Directors' Meeting on 11 November 2021, the Board of Directors resolved to declare interim dividend at the rate of Baht 10 per share for 1,500,000 shares, in respect of the retained earnings and the operating results of the nine-month period ended 30 September 2021, totalling Baht 15 million. The interim dividends were paid to the shareholders on 1 December 2021. When the Company pays dividends, an amount of Baht 0.75 million will be appropriated for legal reserve.

## 24 Legal reserve

	2022 Baht	2021 Baht
At 1 January	750,000	-
Appropriation during the year	1,925,000	750,000
At 31 December	2,675,000	750,000

Under the Public Companies Act, B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

## 25 Assets and liabilities relating to contracts with customers

### 25.1 Assets recognised from contract costs

#### Incremental costs of obtaining a contract

	2022 Baht	2021 Baht
<b>Statements of financial position as of 31 December</b>		
Assets recognised for costs of obtaining a contract	9,179,140	8,532,042
Less: Accrued commission	(14,089,514)	(10,650,000)
Accrued commission	4,910,374	2,117,958
<b>Statements of comprehensive income for the year ended 31 December</b>		
Amortisation charges	5,270,402	2,117,958





The asset recognised as the costs to obtain a contract, includes sales commissions, were presented by offsetting with the obligations to pay. It was presented as trade accounts payable in statement of financial position. It is amortised over the term of the specific contract it relates to, consistent with the revenue recognition pattern.

## 25.2 Contract liabilities

The Company has recognised the following liabilities related to contracts with customers

	2022 Baht	2021 Baht
<b>Current contract liabilities</b>		
Contract liabilities from sales of goods contracts	19,626,835	23,043,800
Contract liabilities from construction contracts	-	1,430,091
<b>Total</b>	<b>19,626,835</b>	<b>24,473,891</b>

The detail for contract liabilities from construction contract were as follows:

	2022 Baht	2021 Baht
<b>Current contract liabilities</b>		
Cost of project incurred to date	142,918,336	79,930,367
Profit recognised to date	12,498,424	9,571,101
Cost of project incurred adjusted by profit recognised to date	155,416,760	89,501,468
<u>Less: amount collected from customers</u>	<u>(155,416,760)</u>	<u>(90,931,559)</u>
<b>Total contract liabilities</b>	<b>-</b>	<b>1,430,091</b>

### *Revenue recognised in relation to contract liabilities*

Revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year

	2022 Baht	2021 Baht
Revenue recognised that was included in the contract liability balance at the beginning of the period		
- Sales of goods	6,984,800	4,575,584
- Construction contract	1,430,091	5,116,757
	<b>8,414,891</b>	<b>9,692,341</b>







### 25.3 Unsatisfied long-term contracts with customers

The following table shows unsatisfied performance obligations resulting from significant construction contracts.

	2022 Baht	2021 Baht
Construction contracts	753,642,578	754,615,622
Long-term sales contract	318,635,795	346,313,185
	1,072,278,373	1,100,928,807

Management expects that all of the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognised as revenue during 2023 – 2025. The amount disclosed above does not include variable consideration which is constrained.

## 26 Other income

Other income for the year ended 31 December are as follows:

	2022 Baht	2021 Baht
Interest income	985,026	478,816
Gain from disposal of assets	1,295,046	-
Gain on exchange rate, net	1,158,783	-
Other income	257,072	161,675
Total	3,695,927	640,491

## 27 Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	2022 Baht	2021 Baht
Materials, labour and subcontractors	573,393,881	343,728,941
Cost of sales of goods	275,127,478	210,460,570
Staff costs	55,843,189	30,842,708
Depreciation and amortisation	7,726,357	6,959,244
Professional and consultant fees	6,425,985	5,177,547
Other expense	27,142,562	16,802,650



**28 Income tax expense**

Income tax expense for the year comprises the following:

	2022 Baht	2021 Baht
Current tax	7,466,436	6,114,650
Deferred income tax	(424,090)	79,660
<b>Total income tax expense</b>	<b>7,042,346</b>	<b>6,194,310</b>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	2022 Baht	2021 Baht
Profit before income tax	31,536,577	25,649,888
Tax calculated at a tax rate of 20% (2021: 20%)	6,307,315	5,129,978
Tax effect of:		
Expenses not deductible for tax purpose	1,481,932	1,179,732
Expenses deductible at a greater amount	(746,901)	(115,400)
<b>Tax charge</b>	<b>7,042,346</b>	<b>6,194,310</b>

The tax (charge)/credit relating to component of other comprehensive income and directly to equity is as follows:

	2022			2021		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
<b>Other comprehensive income</b>						
Deferred income tax (Note 17)						
Remeasurement on retirement benefit obligations	44,104	(8,821)	35,283	254,643	(50,929)	203,714
<b>Other comprehensive income</b>	<b>44,104</b>	<b>(8,821)</b>	<b>35,283</b>	<b>254,643</b>	<b>(50,929)</b>	<b>203,714</b>
<b>Equity</b>						
Current tax						
Share issuance cost	14,526,680	(2,905,336)	11,621,344	-	-	-
<b>Equity</b>	<b>14,526,680</b>	<b>(2,905,336)</b>	<b>11,621,344</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 29 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

At the Extraordinary General Meeting of shareholders No.1/2022, held on 22 March 2022, the shareholders approved the change in par value of Baht 100 per share to Baht 0.50 per share. The Company adjust the number of outstanding ordinary shares to reflect the increase in the number of ordinary shares as if the event has occurred at the beginning of the period presented. The number of shares in 2021 was also adjusted for the purposes of comparable earnings per share.

	2022	2021
Profit attributable to shareholders (Baht)	24,494,231	19,455,578
Weighted average number of ordinary shares in issue during the year (Shares)	325,513,699	72,191,781
Basic earnings per share (Baht)	0.08	0.27

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

## 30 Change in liabilities arising from financing activities

	Bank overdrafts Baht	Short-term borrowings from financial institutions Baht	Long-term borrowings from financial institutions Baht	Leases Baht	Total Baht
Liabilities as at 1 January 2021	3,010,158	5,000,000	3,997,934	12,518,049	24,526,141
Proceeds	74,756,330	88,822,204	20,209,000	-	183,787,534
Repayment	(77,723,133)	(19,519,000)	(4,608,600)	(5,467,620)	(107,318,353)
Acquisitions – lease liabilities	-	-	-	3,560,689	3,560,689
Finance cost	-	-	1,432,374	427,427	1,859,801
Liabilities as at 31 December 2021	43,355	74,303,204	21,030,708	11,038,545	106,415,812
Proceeds	14,229,665	100,121,946	10,500,000	-	124,851,611
Repayment	(14,273,020)	(174,425,150)	(10,156,400)	(5,809,497)	(204,664,065)
Acquisitions – lease liabilities	-	-	-	9,203,676	9,203,676
Finance cost	-	-	2,169,757	426,588	2,596,343
Cancellation of leases	-	-	-	(1,000,365)	(1,000,365)
Liabilities as at 31 December 2022	-	-	23,544,065	13,858,947	37,403,012



### 31 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Major shareholders of the Company are Mr. Yodsawee Wattanateerakitja and Mr. Santi Maneewong, who aggregately hold 48.84% of the total shares (2021 : 70.00% of the total shares).

In the year 2022, the key management sold all shares in MEP Power Engineering Company Limited.

#### (a) Transaction with related persons

	2022 Baht	2021 Baht
<b>Disposal of right-of-use assets</b>		
Related persons	635,513	-

#### (b) Outstanding balances arising from administrative expense

The outstanding balances at the end of the reporting period in relation to transactions with related persons are as follows:

	2022 Baht	2021 Baht
<b>Other payables</b>		
Related persons	131,831	325,256





(c) Short-term loans from related person

The movements of short-term loans from related person can be analysed as follows:

	2022 Baht	2021 Baht
At 1 January	-	-
Loans advanced during the period	5,810,000	-
Loans repayment received	(5,810,000)	-
At 31 December	-	-

Short-term loans from directors are denominated in Baht and are not secured. The interest rates are 4.44% per annum and due at call.

(d) Directors and managements' remuneration

Directors and managements' remuneration comprises salaries, other benefits, other remuneration and meeting fees.

	2022 Baht	2021 Baht
Salaries and other short-term benefits	9,397,234	7,490,000
Post-employment benefits	420,642	327,725
<b>Total</b>	<b>9,817,876</b>	<b>7,817,725</b>

## 32 Commitments and contingent liabilities

### 32.1 Non-cancellable services agreements

The Company has entered into non-cancellable services agreements in respect of the lease of right of computer program and office services as follows:

	2022 Baht	2021 Baht
Not later than 1 year	1,502,322	1,284,674
Later than 1 year but not later than 5 years	315,581	1,530,842
	<b>1,817,903</b>	<b>2,815,516</b>





### 32.2 Letters of guarantee

As at 31 December 2022, the Company had outstanding letters of guarantee of Baht 50,829,333 (2021: Baht 33,615,485) issued by a bank for purchases of goods. No liabilities are anticipated to be arisen.

### 33 Significant contract

The Company have entered into consortium agreement for on-going projects which the Company agreed with counterparty to bind themselves to be held accountable and replaced as joint debtor to the owners. The Company has a 56.36% interest in a consortium called 'PLE24 consortium' which was set up as a partnership together with Powerline Engineering Public Company Limited, for acceptance for government's project to constructed electrical substation. The calculation of the interest sharing defined by the scope with agreed tasks and responsibility with the venturers.

### 34 Event after the financial statement date

At the Board of Directors' Meeting on 27 February 2023, it passed a resolution to issue debenture with the total value limited to not more than Baht 2,000 million. The maturity date and interest rate will depend on the market value where the principle will be repaid on call or until maturity.





**Enclosure 1**

**Information of directors, executives and person-in-chief of accounting and finance and direct person-in-charge of accounting and company secretary**

No.	Name/Position	Age (Year)	Educational qualifications/ training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
						Period	Position	Company	Business type
1.	Gen.Suchart Wongmark • Chairman of the Board of Directors • Audit Committee Member • Independent Director	61	• Master's Degree in Business Administration Kasetsart University • Bachelor's Degree in Mechanical Engineering Chulachomklo Royal Military Academy • WPO59 National Defense College • Director Accreditation	- 0 -	- n/a -	2021 – Present  2016 – 2021  2015 – 2016  2014 – 2020	• Chairman of the Board of Directors/Audit Committee Member/Independent Director • Special experts  • Advisor to the Office of the Permanent Secretary for Defense • Deputy Chief of Defense Finance Department • Executive Director	• Twenty-Four Con & Supply Public Company Limited  • National Cyber Security Agency  • Ministry of Defense  • Ministry of Defense  • Government Pharmaceutical Organization	• Distributor of equipment for air conditioning system and contractor for installation of building engineering system  • Define policies, measures, cybersecurity guidelines for government agencies and the private sector • Central government agencies in the category of Thai ministries  • Central government agencies in the category of Thai ministries • Production of pharmaceuticals and medicinal chemicals







No.	Name/Position	Age (Year)	Educational qualifications/training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
						Period	Position	Company	Business type
			Program (DAP) 187/2021			2014 – 2020	• Executive Director	• Government Pharmaceutical Organization– Merieux Biological Products Co.,Ltd	• Production of pharmaceuticals and medicinal chemicals
						2014 – 2020	• Executive Director	• General Hospital Products Public Company Limited	• Production of pharmaceuticals and medicinal chemicals
2	Mrs. Pattra Supanich <u>original name</u> Mrs. Pattra Wongmalasit • Chairman of the Audit Committee • Independent Director	40	• Bachelor's Degree in Accounting, Thammasat University • Director Accreditation Program (DAP) 187/2021	- 0 -	- n/a -	2021 – Present	• Chairman of the Audit Committee/ Independent Director	• Twenty-Four Con & Supply Public Company Limited	• Distributor of equipment for air conditioning system and contractor for installation of building engineering system
						2018 – 2020	• Executive Director	• Thai Agri Foods Public Co., Ltd.	• Produce ready meals packed in sealed containers by vacuum method
						2012 – 2017	• Assistant Managing Director of Accounting and Cost	• Thai Agri Foods Public Co., Ltd.	• Produce ready meals packed in sealed containers by vacuum method





No.	Name/Position	Age (Year)	Educational qualifications/ training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
						Period	Position	Company	Business type
						2018 – 2021	<ul style="list-style-type: none"> <li>System Planning Officer</li> </ul>	<ul style="list-style-type: none"> <li>Thai Agri Foods Public Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Produce ready meals packed in sealed containers by vacuum method</li> </ul>
						2018 – Present	<ul style="list-style-type: none"> <li>Certified Public Accountant</li> </ul>	<ul style="list-style-type: none"> <li>Freelance</li> </ul>	<ul style="list-style-type: none"> <li>Accounting, auditing and tax consulting</li> </ul>
						2004 – 2018	<ul style="list-style-type: none"> <li>Assistant Auditor</li> </ul>	<ul style="list-style-type: none"> <li>EY OFFICE COMPANY LIMITED</li> </ul>	<ul style="list-style-type: none"> <li>Accounting, auditing and tax consulting</li> </ul>
3	Lieutenant general Parinya Chaidilok <ul style="list-style-type: none"> <li>Audit Committee Member</li> <li>Independent Director</li> </ul>	60	<ul style="list-style-type: none"> <li>Bachelor's Degree in Science Chulachomkla</li> <li>o Royal Military Academy</li> <li>National Defense College</li> <li>Director Accreditation Program (DAP) 187/2021</li> </ul>	- 0 -	- n/a -	2021 – Present	<ul style="list-style-type: none"> <li>Audit Committee Member/Independent Director</li> <li>Policy and Strategy Specialist</li> </ul>	<ul style="list-style-type: none"> <li>Twenty-Four Con &amp; Supply Public Company Limited</li> <li>Office of the National Cybersecurity Committee</li> <li>Ministry of Defense</li> </ul>	<ul style="list-style-type: none"> <li>Distributor of equipment for air conditioning system and contractor for installation of building engineering system</li> <li>Define policies, measures, cyber security guidelines For government agencies and the private sector</li> <li>Central government agencies in the category of Thai ministries</li> </ul>
						1985 – 2021	<ul style="list-style-type: none"> <li>Military Service</li> </ul>		





No.	Name/Position	Age (Year)	Educational qualifications/ training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
						Period	Position	Company	Business type
3	Mr. Yodsawee Wattanateerakitja <u>original name</u> Yodsakorn Sa-nga • Chairman of the risk Management Committee • Chief Executive Officer • Authorized director	35	• Bachelor's Degree in Accounting, Kasetsart University • Director Accreditation Program (DAP) 188/2021	24.4	Brother of Ms. Chutikarn Sa-nga	2013 – Present	• Chairman of the risk Management Committee/Chief Executive Officer/Authorized director	• Twenty-Four Con & Supply Public Company Limited	• Distributor of equipment for air conditioning system and contractor for installation of building engineering system
4	Mr. Santi Maneewong • Chief Financial Officer • Executive Director • Authorized director	48	• Bachelor's Degree in Accounting, Chiang Mai University • Master's Degree in Finance, Kasetsart University • Director Accreditation Program (DAP) 188/2021	24.4	- n/a -	2015 – Present	• Chief Financial Officer/Executive Director/Authorized director	• Twenty-Four Con & Supply Public Company Limited	• Distributor of equipment for air conditioning system and contractor for installation of building engineering system





No.	Name/Position	Age (Year)	Educational qualifications/training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
						Period	Position	Company	Business type
5	Mr. Thawatchai Jirawataungkana <ul style="list-style-type: none"> <li>Chief Operating Officer</li> <li>Executive Director</li> <li>Authorized director</li> </ul>	55	<ul style="list-style-type: none"> <li>Bachelor's degree in Engineering, Kasetsart</li> <li>Director Accreditation Program (DAP) 187/2021</li> </ul>	7.0	- n/a -	2017 – Present	<ul style="list-style-type: none"> <li>Chief Operating Officer/Executive Director/Authorized director</li> </ul>	<ul style="list-style-type: none"> <li>Twenty-Four Con &amp; Supply Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Distributor of equipment for air conditioning system and contractor for installation of building engineering system</li> </ul>
						1994 – 2016	<ul style="list-style-type: none"> <li>Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>Power Line Engineering Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Electrical installation</li> </ul>
6	Ms. Phichsini Pongprasat <u>original name</u> Pensiri Pattanapalanon <ul style="list-style-type: none"> <li>Chief Marketing Officer</li> <li>Executive Director</li> </ul>	42	<ul style="list-style-type: none"> <li>Bachelor's degree in English Ramkhamhaeng University</li> </ul>	- 0 -	- n/a -	2021 – Present	<ul style="list-style-type: none"> <li>Chief Marketing Officer/Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>Twenty-Four Con &amp; Supply Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Distributor of equipment for air conditioning system and contractor for installation of building engineering system</li> </ul>
						2016 – 2021	<ul style="list-style-type: none"> <li>Procurement Manager</li> </ul>	<ul style="list-style-type: none"> <li>Twenty-Four Con &amp; Supply Public Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>Distributor of equipment for air conditioning system and contractor for installation of building engineering system</li> </ul>
						2004 – 2016	<ul style="list-style-type: none"> <li>Marketing Officer</li> </ul>	<ul style="list-style-type: none"> <li>PACIFIC HEARST CO., LTD.</li> </ul>	<ul style="list-style-type: none"> <li>Advertising agencies</li> </ul>





No.	Name/Position	Age (Year)	Educational qualifications/ training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
						Period	Position	Company	Business type
7	Ms. Chutikarn Sa-nga • Chief Information Technology Officer • Executive Director	28	• Bachelor's Degree in Accounting, Kasetsart University	- 0 -	Sister of Mr. Yodsawee Wattanateerakitja	2020 – Present	• Chief Information Technology Officer/Executive Director	• Twenty-Four Con & Supply Public Company Limited	• Distributor of equipment for air conditioning system and contractor for installation of building engineering system
						2015 – 2020	• Assistant manager	• KPMG Phoomchai Audit Ltd.	• Accounting, auditing and tax consulting
8	Ms. Dullapaporn Petaisong • Company Secretary	42	• Bachelor of Arts in English, Ramkhamhaeng University	- 0 -	- n/a -	2020 – Present	• Company Secretary	• Twenty-Four Con & Supply Public Company Limited	• Distributor of equipment for air conditioning system and contractor for installation of building engineering system
						2016 – 2020	• Aircraft Safety System Document Controller/ Quality inspector	• Thai Vietjet Air Joint Stock Co., Ltd.	• Scheduled air passenger transport
						2005 – 2015	• Secretary and Assistant Manager customer care section	• Milott Laboratories Co., Ltd.	• Engage in business of designing and producing cosmetic products, skin care, personal care, oral care, hair and scalp care household and medical device products





No.	Name/Position	Age (Year)	Educational qualifications/ training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
						Period	Position	Company	Business type
						2002 – 2004	• Foreign teacher's assistant	• Srivikorn School	• Medium private schools general education
9	Mr. Chanchai Tonchaeng * • General Ledger Account Manager	32	• Bachelor's Degree in Accounting, Suan Sunandha Rajabhat University	- 0 -	- n/a -	2021 – Present	• General Ledger Account Manager	• Twenty-Four Con & Supply Public Company Limited	• Distributor of equipment for air conditioning system and contractor for installation of building engineering system
						2015 – 2021	• Account Manager	• Best Elixir Co., Ltd.	• Other retail sales in general stores
						2010 – 2015	• Account Admin Manager	• CYBERBATT CO., LTD	• Computer and computer peripherals retail stores

\* Note: Mr. Chanchai Tonejang is not an executive of the Company but disclose additional information as the company's accounting supervisor





Details of Directors, Executives, Controlling Persons and company secretary

Name	Company	Related companies				
		1	2	3	4	5
1. Gen.Suchart Wongmark	X, I, III, IV	#	II	I	I	
2. Mrs. Pattra Supanich	I, III, IV					II
3. Lieutenant general Parinya Chaidilok	I, III, IV					
4. Mr. Yodsawee Wattanateerakitja	I, II, V, VI, @					
5. Mr. Santi Maneewong	I, II, V, VI, @					
6. Mr. Thawatchai Jirawataungkana	I, II, V, VI, @					
7. Ms. Phichsini Pongprasat	I, II, V					
8. Ms. Chutikarn Sa-nga	I, II, V					
9. Ms. Dullapaporn Petaisong	VII					

Note X = Chairman I = Director II = Executive director III = Audit Committee IV = Independent Director V = Executive VI = shareholder VII = Company secretary @ = Authorized director # = Consultant

Related companies:

- |   |   |  |
|---|---|--|
| 1. Ministry of Defense                              | 2. Government Pharmaceutical Organization | 3. Government Pharmaceutical Organization<br>Merieux Biological Products Co.,Ltd |
| 4. General Hospital Products Public Company Limited | 5. Thai Agri Foods Public Co., Ltd.       |  |







Enclosure 2

Details of Head of Internal Audit and Compliance

Details of Head of Internal Audit

The company uses an outsource company, IA Signature Co., Ltd., to be the auditor of the company's internal control system. The head of the internal control audit team has qualifications, educational background and work experience as follows:

Name/Position	Age	Educational qualifications/training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
					Period	Position	Company	Business type
Mr. Sutee Tanwanichkul	39	<p><b>Educational qualification</b></p> <ul style="list-style-type: none"> <li>• Master of Business Administration in Marketing Management Dhurakij Pundit University</li> <li>• Master's Degree in Accounting, Special Sector Kasetsart University</li> <li>• Bachelor's Degree Accounting Dhurakij Pundit University</li> </ul> <p><b>Diploma</b></p> <ul style="list-style-type: none"> <li>• Diploma CPIAT (No. 17) Association of Internal Auditors of Thailand</li> <li>• Certified by an independent assessor</li> <li>• CAC SME Certification Thailand's Private Sector</li> </ul>	-	-	2020 - Present	<ul style="list-style-type: none"> <li>• Qualified Director</li> <li>• (2 year term Jul. 2020 - Jul. 2022)</li> </ul>	<ul style="list-style-type: none"> <li>• Faculty of Business Administration Rajamangala University of Technology Rattanakosin</li> </ul>	<ul style="list-style-type: none"> <li>• Academy</li> </ul>
					2020 - Present	<ul style="list-style-type: none"> <li>• Qualified Director</li> <li>• (2 year term Nov. 2019 - Nov. 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• Association of Internal Auditors of Thailand</li> </ul>	<ul style="list-style-type: none"> <li>• Professional organization</li> </ul>
					2021 - Present	<ul style="list-style-type: none"> <li>• Special lecturer</li> </ul>	<ul style="list-style-type: none"> <li>• King Mongkut's Institute of Technology Ladkrabang</li> </ul>	<ul style="list-style-type: none"> <li>• School</li> </ul>
					2014 - Present	<ul style="list-style-type: none"> <li>• Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>• IA Signature Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal Audit</li> </ul>





Name/Position	Age	Educational qualifications/training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
					Period	Position	Company	Business type
		<ul style="list-style-type: none"> <li>Collective Action Coalition Against Corruption Project</li> <li>Certificate of Data Protection Foundation, Data Protection Practitioner, Data Protection Officer ACIS Professional Center</li> <li>Forensic Accounting Certification (FAC#93), Federation of Accounting Professions</li> <li>IIA's EIAP</li> <li>Chulalongkorn University</li> <li>Director Certificate Program (DCP) # 238, Thai Institute of Directors Association</li> <li>Anti-Corruption the Practical Guide (ACPG), Thai Institute of Directors Association</li> <li>Enterprise Risk Management Association of Internal Auditors of Thailand</li> <li>111 Hours for IT auditor, Association of Internal Auditors of Thailand</li> </ul>			<ul style="list-style-type: none"> <li>2020</li> <li>2017 – 2020</li> <li>2018 – 2019</li> <li>2018</li> <li>2012 – 2013</li> </ul>	<ul style="list-style-type: none"> <li>Special guest lecturer for online teaching ("Modern Entrepreneur" course and "Right or Wrong Step to IPO course")</li> <li>Special lecturer</li> <li>Special guest lecturer (IPO TOTAL STRATEGY course and Corporate Compliance &amp; Internal Control course)</li> <li>Special guest lecturer (Program "IPO Roadmap CEO – Executive Program" Module 4: Business Systems &amp; Internal Control)</li> <li>Special lecturer</li> </ul>	<ul style="list-style-type: none"> <li>King Mongkut's Institute of Technology Ladkrabang</li> <li>Rangsit University</li> <li>Omega World Class Research Institute</li> <li>Stock Exchange of Thailand</li> <li>Southeast Asia University</li> </ul>	<ul style="list-style-type: none"> <li>Academy</li> <li>Academy</li> <li>Training and seminar institutions</li> <li>Capital Market</li> <li>Academy</li> </ul>





Name/Position	Age	Educational qualifications/training history	Shareholding in the company (%)	Family relationship between directors and executives	Work Experience			
					Period	Position	Company	Business type
		<ul style="list-style-type: none"> <li>• Ethic Audit, Association of Internal Auditors of Thailand</li> <li>• IT Auditor Federation of Accounting Professions</li> <li>• COSO 2013 for IA as business consultants Federation of Accounting Professions</li> <li>• Guide to COBIT 5 Implementation ISACA Bangkok Chapter</li> </ul>			2011 – 2014	• Project Control Manager	• Accounting Specialist Co., Ltd.	• Internal audit accounting
					2019 – 2010	• Special lecturer	• Chaopraya University	• School
					2006 – 2014	• Internal Audit Manager, Financial Control Director	• Thai Rung Group (Trading)	• Automotive
					2005 – 2006	• Senior Internal Audit Officer	• Rich Asia Steel Plc.	• Iron
					2003 – 2005	• Internal Audit Officer	• Singha Corporation Co., Ltd.	• Drinks





Enclosure 3

Audit Committee's Report

The Audit Committee of Twenty-Four Con & Supply Public Company Limited consists of 3 independent directors who are qualified with fulfilled of knowledge, ability and experience which will support the Audit Committee to perform its duties efficiently and independently. Patra Supanich as the Chairman of the Audit Committee, Suchart Wongmak and Parinya Chaidilok as the Audit Committee. The Audit Committee performs its duties in accordance with the responsibilities assigned by the Board of Directors and the charter of the Audit Committee.

In 2021, the Audit Committee held 2 meetings and 4 meetings for the year 2022. As conclusion.

List of the Audit Committees <sup>1/</sup>	Total number of attened/Number of meetings	
	2021	2022
1. Pattra Supanich	2/2	4/4
2. Suchart Wongmak	2/2	4/4
3. Parinya Chaidilok	2/2	4/4

Remark: <sup>1/</sup>Appointed as audit committee member at the Board of Directors' meeting 6/2021 on July 22, 2021, all 3 members of the Audit Committee are fully qualified to be members of the audit committee in accordance with the criteria set by the SET and Patra Supanich is a person with knowledge in accounting and finance (please refer to the additional history of the audit committee in Attachment 1).

In addition, the Audit Committee invited the 24CS managements. The auditor of the Internal Audit attended the meeting as appropriate, the Audit Committee proceeded to consider various matters with the following issues and essences:

1. Review the company's financial reporting process to ensure that it is accurate and adequately disclosed, as well as reliable in accordance with generally accepted accounting standards.
2. Review the company's financial reporting process to ensure that it is accurate and adequately disclosed, as well as reliable in accordance with generally accepted accounting standards to consider, select and nominate an independent person to act as the Company's auditor in order to conduct audits, control systems and financial statements of the Company. Propose remuneration and supervise the work of the audit office for the purpose of preparing or issuing audit reports or conducting any other audits.

Each auditor and audit firm report directly to the Audit Committee. The Audit Committee has the authority to approve the conditions and preliminary charges for audit services and other services offered by the auditors.

Therefore, the Audit Committee will make recommendations to the Board of Directors to propose to shareholders at the Annual General Meeting of Shareholders to approve the appointment of auditors and audit fees.

3. Meeting with managements and auditors as appropriate which includes any management's actions, limitations of any inspections by auditors. The Company's management and risk assessment policies, as well as significant financial risks and management's measures to control and mitigate such risks. In addition, the Audit Committee shall resolve any conflicts between management and auditors relating to financial reports. Moreover, to maintain the standard, the private meeting between auditor and audit committee is held at least once a year.



4. Promote and ensure the independence of auditors The Audit Committee shall discuss with the auditor about the independence of the management and the Company, including any relationship or service between the Auditor and the Company, as well as any other relationship that may affect the objectivity of the auditor.
5. Review the Company's financial reports, accounting standards and accounting policies, and make significant changes to accounting standards, principles or practices, including important accounting decisions that affect the Company's financial reports, including the choices, reasonableness and consequences of such decisions.
6. Consider connected transactions or transactions that may have conflicts of interest in accordance with the laws and regulations of the Stock Exchange Thailand. This is to ensure that such transactions are reasonable and in the best interests of the Company.
7. Review and approve or ratify any transaction between the Company and related parties which are required to be disclosed in accordance with the rules of the Securities and Exchange Commission.

The Audit Committee monitors the Company's operations in accordance with the scope of authority, duties and responsibilities assigned by using knowledge and ability with care and prudence, and independence in performing duties with good information and cooperation from the Company's management. The Audit Committee is of the opinion that the Company has prepared accurate financial reports in accordance with accounting standards and financial reporting standards. The Company discloses sufficient information about transactions or transactions that may cause conflicts of interest. There is an internal control system and an audit of the internal control system, including risk management that is appropriate to the conditions of the business. Comply with relevant laws correctly and completely, as well as comply with good corporate governance principles.

*-Mrs. Pattra Supanich-*

**Mrs. Pattra Supanich**

Chairman of the Audit Committee





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