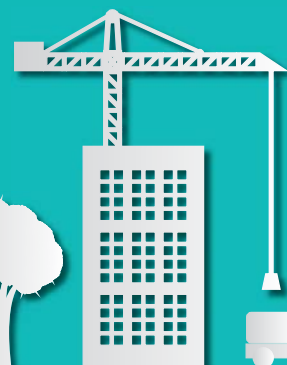


2023

56-1 ONE REPORT



HYDROTEK



HYDROTEK

HYDROTEK PUBLIC COMPANY LIMITED

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Vision

A leader Company of infrastructure and environmental engineering in Thailand and the ASEAN region in a sustainably

Mission

1. Provide one-stop service of engineering from beginning a consultant, designing, procuring, constructing, installing, operating systems and maintaining. that emphasizes international standard quality Including delivering work on time and reasonable price
2. Product creation using technology and new innovations that responds to customer needs with excellent quality and innovation Including building good relationships with customers with good and impressive after-sales service.
3. Seeking new investment opportunities and options to create growth and expand the business base To grow steadily and sustainably to cover all formats by managing and controlling the project budget effectively under the creation and development of the organization for maximum efficiency in business operations.
4. Personnel development by promoting learning regularly and continuously to increase the potential of employees
5. Conducting business with the principles of good corporate governance. Be attentive to society and the environment Including efficient, fair, transparent, and auditable management.

Financial Highlight

(Unit: Million Baht)

Item	2021	2022	2023
Total Assets	459.64	404.97	369.98
Total Liabilities	337.80	314.67	349.53
Total shareholders' Equity	121.84	90.29	20.44
Construction Income	262.40	123.61	71.13
Service Income	8.09	6.65	3.02
Revenue from Sale	-	-	0.01
Gross Profit (Loss)	23.94	(22.66)	(6.00)
Net Profit (Loss)	(20.00)	(80.72)	(71.71)
Earnings (Loss) per share (Baht)	(0.01)	(0.26)	(0.23)

Financial Ratio

Item	2021	2022	2023
Gross Profit Margin (%)	8.85	(17.40)	(8.09)
Net Profit Margin (%)	(6.83)	(60.69)	(93.21)
Return on Equity (%)	(31.94)	(76.10)	(129.52)
Return on Assets (%)	(4.51)	(18.67)	(18.51)
Debt to Equity (times)	2.77	0.29	0.06
Book Value per Share (Baht)	0.05	0.29	0.07

BOARD OF DIRECTORS



Mr. Somprasong Panjalak

Chairman of the Board / Authorized Director



Mr. Sukrit Jintanakosin

Chief Executive Officer /

Nomination and Remuneration Committee /

Authorized Director / Risk Management Committee /

Director Hydrotek Public Company Limited



Mr. Somchan Panjalak

Nomination and Remuneration Committee /

Risk Management Committee /

Authorized Director / Director



Air Chief Marshal Surasak Meemanee

Chairman of the Audit Committee /

Chairman of the Risk Management Committee /

Member of the Nomination and Remuneration Committee /

Independent Director



Prof. Dr. Kamphol Panyagomes

Member of the Audit Committee /

Chairman of the Nomination and Remuneration Committee /

Independent Director



Dr. Siridech Khamsuprom

Member of the Audit Committee /

Member of the Nomination and Remuneration Committee /

Independent Director



Mr. Pramin Phantawesak

Independent Director

Message from Chairman of the Board

In the year 2023, following the resolution of the COVID-19 epidemic, Thailand was able to open the country for a full year. However, the growth of the Thai economy did not live up to expectations. Additionally, the cost of business operations escalated due to the establishment of a new government following lengthy elections, which impacted government budgeting. Consequently, multiple operations and government spending were postponed in the business sector. Similarly, the construction business slowed, with no infrastructure or large-scale construction projects taking place during the year. Despite these challenges, the company adjusted its operational strategy to become more flexible and adaptive. This involved restructuring the size of the organization, expanding its business into increased private sector construction work, implementing risk management at the policy level, and adopting various standard systems in construction projects. However, uncontrollable external factors such as work delays due to client-made amendments to construction plans, increased costs of materials and labor, and the delayed approval of design and budget brought about by late-revised construction drawings resulted in unanticipated project delivery delays. Consequently, the company incurred substantial losses.

During 2024, the Company plans to continue its primary focus on the main construction business, with an emphasis on large projects both from the government and private sectors that align with the company's expertise. The Company also considers cost and risk management in all aspects. It anticipates that the construction industry will benefit from the government's economic stimulus policy which aims to increase investment in basic public utility systems. This includes construction projects such as the Metropolitan Waterworks Authority Provincial Waterworks Authority's water production and distribution systems, the Ministry of Transport's high-speed rail project connecting three airports and projects related to the Eastern Special Development Zone (EEC). These initiatives are intended to stimulate the economy and foster the country's development. As a seasoned contractor with qualifications for government and state enterprise contracts, the company possesses the necessary skills to select appropriate projects, thereby contributing to the company's strong and positive operating results. This is a fundamental goal for the Company's continued growth and stability.

On behalf of the Company's Board of Directors, executives, employees, and affiliated companies, we extend our utmost appreciation to all stakeholders, partners, alliances, and customers who have continually supported and placed their trust in the Company.

We wish to assure you that the Board of Directors, management team, and all employees are deeply committed to conducting business meticulously, transparently, and in adherence to the principles of good governance to the best of our abilities. We will diligently perform our duties and seek new opportunities to ensure the steady and sustainable progress of the organization and to deliver maximum benefits to all involved parties.

Mr. Somprasong Panjalak
Chairman of the board



Part 1

Business Operations and Performance

Part 1 Business operations and operating results

1. Structure and operations of the group of companies

1.1 Policy and overview of the company's business operations

Hydrotek Public Company Limited was established in 1982 with the objective of operating a construction business and providing management of environmental engineering works, including Water Treatment Plant, Pure water production system for use in industrial plants, Desalination Plant), Mobile Treatment Plant, Wastewater Treatment Plant, Wastewater Recycle Plant, Solid Waste Treatment Plant and Waste to Energy. The company is one of the leaders in providing services to major customers from long experience in doing business. The company can provide services that require knowledge, expertise, experience and technology for the part of high level engineering. In addition, there are also various service formats to respond to customer needs. The Company has a team that researches and develops system designs. This is based on additional research along with inquiries about technology changes from partner companies for developing the system design to be more diverse and able to meet the needs of customers.

Vision

To be the leading company in the field of basic utility systems and environmental engineering in Thailand and the ASEAN region in a sustainable way

Mission

1. One-stop service includes consulting, design, procurement, construction, installation, system operation and maintenance - all with an emphasis on international quality standards and including delivering work on time and reasonable price
2. Create products using technology and new innovations that cater to customer needs which has excellent quality and innovation, while also building strong and positive relationships with our customers by providing impressive after-sales services.
3. Searching for investment opportunities and options to create and expand a business base that has never grown with continued strength and stability to provide all forms by managing and controlling the project budget effectively under the creation of an organization that provides maximum efficiency in business operations

4. Personnel development by promoting learning regularly and continuously To increase the potential of employees
5. Conducting business with good corporate governance principles be attentive to society and the environment Including efficient, fair, transparent, and auditable management.

Important changes and developments over the past 3 years

Year 2021 has the following important points:

Operations regarding registered capital

- The Board of Directors' Meeting No. 12/2021 on 12 November 2021 passed important resolutions as follows.
 - Approve amendments to the Company's objectives.
 - Approve the amendment of the company's registered capital. To be in line with the increase in registered capital of the company.
 - Approve the amendment of the company's registered capital. To be consistent with the reduction of the company's registered capital.
- The Extraordinary General Meeting of Shareholders No. 1/2021 on November 15, 2021 resolved to present to the shareholders meeting for consideration and approval the important agenda items as follows:
 - Approve the reduction of registered capital and amending Clause 4 of the Company's memorandum of association to be consistent with the reduction of registered capital. which reduced the registered capital by 33,487,136.00 Baht from the original registered capital.
 - Approve the reduction of registered capital and amending Clause 4 of the Company's memorandum of association to be consistent with the reduction of registered capital which reduced the registered capital by 33,487,136.00 Baht from the original registered capital 1,668,058,615.00 Baht is the registered capital 1,634,571,479.00 Baht by eliminating 33,487,136 unsold registered common shares with a par value of 1 Baht per share, which are shares that support the issuance of shares to the company's existing shareholders in proportion (Rights Offering) which has expired from the allocated period.
 - Approve the increase in registered capital and the amendment to Section 4 of the Company's memorandum of association to be consistent with the increase in registered capital which is a capital increase at the rate of 2 existing shares to 1 new share, amounting to 768,227,679.00 Baht from the original registered capital 1,634,571,479.00 Baht is the registered capital. 2,402,799,158.00 Baht by issuing 768,227,679 additional

common shares with a par value of 1 Baht per share to be used as funding for the project and used as working capital of the company.

- Approved the allocation of additional ordinary shares of the Company, in the amount not exceeding 768,227,679 shares, with a par value of 1 Baht per share, to be offered for sale to the Company's existing shareholders. In proportion to the number of shares each person holds (Rights Offering) in the share allocation ratio of 2 existing common shares to 1 additional common share. The offering price is 0.18 Baht per share, with fractional shares to be discarded.
- Approve the reduction of registered capital and the paid-up capital of the company to clear accumulated losses By reducing the number of shares 1,728,512,277 shares, with a par value of 1 Baht per share, according to the shareholding proportion of each shareholder. in the same ratio of shares before capital reduction 1,728,512,277 shares per share remaining after the capital reduction of 1 share (4:1) and the amendment to Section 4 of the Company's memorandum of association to be consistent with the reduction of registered capital.
- Approve the amendment of the Company's objectives. and the amendment of the Memorandum of Association, No 3. (Objectives) to be consistent with the amendment of the objectives.

Appointment

- The Board of Directors' Meeting No. 1/2021 on January 19, 2021 resolved to approve the appointment of Ms. Jarumas Anuchalakhom to the position of Company Secretary.

Year 2022 has the following important points:

Operations regarding registered capital

- Approved the reduction of registered capital from the original capital of 623,852,008 Baht to the registered capital of 311,925,504 Baht by reducing the number of shares to 311,925,504 shares valued at 1 Baht in accordance with the shareholding proportion.
- Register a reduction in registered capital. and amending the memorandum of association To be consistent with the capital reduction To the Department of Business Development, Ministry of Commerce on 8 July 2022.

Appointment

- The Company's Board of Directors Meeting No. 2/2022 on February 28, 2022 approved the appointment of Mr. Pramin Panthaweesak to the position of director.
- The Company's Board of Directors Meeting No. 2/2022 on February 28, 2022 approved the change of directors with signature authority of the Company. Effective from February 28, 2022
- The Company's Board of Directors Meeting No. 11/2022 on 11 November 2022 approved the appointment of Mr. Kasem. Chan Wiratham To serve as Deputy Chief Executive Officer of Accounting and Finance and Company Secretary
- The Company's Board of Directors Meeting No. 12/2022 on December 8, 2022 approved the appointment of Mr. Sukrit. Jintanakosin To serve as Chief Executive Officer/Nomination and Remuneration Committee/Authorized Signing Committee/Risk Management Committee/Director

Year 2023 has the following important points:

Operations regarding registered capital

- Approve the reduction of the company's registered capital in the amount 187,155,300.00 Baht from the original registered capital 499,080,804.00 Baht is the registered capital 311,925,504.00 Baht by eliminating 187,155,300 registered common shares that have not yet been sold, with a par value of 1.00 Baht per share, which are shares allocated to support the issuance and offering of additional common shares under a general power of attorney. (General Mandate)
- Register a reduction in registered capital and amending the memorandum of association To be consistent with the capital reduction To the Department of Business Development, Ministry of Commerce on 26 December 2023
- Approved the increase of the company's registered capital in the amount of 363,913,088.00 Baht from the original registered capital. 311,925,504.00 Baht is the registered capital. 675,838,592.00 Baht by issuing 363,913,088 additional common shares with a par value of 1 Baht per share to be offered to existing shareholders in proportion to the shareholding each shareholder holds (Right Offering) in the amount of 207,950,336 shares and certified Exercise of rights according to the warrant to purchase ordinary shares of the Company No. 2 (HYDRO-W2) in the amount of 155,962,752 units.
- Register a reduction in registered capital. and amending the memorandum of association To be consistent with the capital increase To the Department of Business Development, Ministry of Commerce on 27 December 2023
- Approved the allocation of capital increase common shares, amount not exceeding 363,913,088 shares, with a par value of 1 Baht per share. Approved to present to the Extraordinary General Meeting of Shareholders No. 1/2023 to consider approving the allocation of capital increase common shares, amount not exceeding 363,913,088 shares, with a par value of 1 Baht per share. 363,913,088 shares with a par value of 1 Baht per share to be offered to existing shareholders in proportion to the shareholding that each shareholder holds (Right Offering) in the amount of 207,950,336 shares at a ratio of 1.5 existing common shares to 1 new share (If there are fractions arising from the calculation, such fractions must be rounded off from the whole amount) The offering price will be equal to 0.30 Baht (thirty satang).
- Approve the issuance and offering of warrants to purchase the Company's ordinary shares for the second time (HYDRO - W2), an amount not exceeding 155,962,752 units, to the Company's existing shareholders in proportion to their shareholding (Right Offer-ing) in Ratio of 2 existing common shares to 1 unit of warrant. (If there is a fraction of the warrant arising from the calculation, such fraction shall be rounded off the whole amount.) The offering price per unit is equal to 0.01 Baht (one satang). The term of the warrant is 3 years from the date of issuance of the warrant and the exercise price will be equal to 0.40 Baht (forty satang)

General information

Company name in Thai	:	บริษัท ไฮโดรเทค จำกัด (มหาชน)
Company name in English	:	Hydrotek Public Company Limited
Company registration number:		0107554000097
Business type	:	Construction, management and investment in environmental engineering work as follows: <ol style="list-style-type: none">1. Construction contracting for basic infrastructure projects with the public and private sectors2. Providing water system management services Both bile and wastewater systems3. Investment in water production and wastewater treatment projects

The company's services can be divided into 4 products as follows:

1. Water Treatment Plant such as the production of tap water, the production of fresh water from seawater and the production of pure or demineralized water for use in industrial plants.
2. Wastewater Treatment Plant and Wastewater Recycle Plant
3. Solid Waste Treatment Plant involves taking waste to landfill causes it to decompose to produce methane gas. Then use it to produce energy as fuel.
4. Waste to Energy involves taking wastewater with a high COD (Chemical Oxygen Demand) value from industrial plants which was through the production process to get biogas and methane gas then used as fuel energy.

Office location	:	1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict Chatuchak District, Bangkok 10900, Thailand
Telephone no.	:	(66) 2-936-1661-2
Fax no.	:	(66) 2-936-1669
Website	:	www.hydrotek.co.th
Registered capital	:	675,838,592 Baht consisting of common shares 675,838,592 shares
Paid-up capital	:	311,925,504 Baht consisting of common shares 311,925,504 shares
		As at 31 December 2023
Par value per share	:	1 Baht per share

Note : Investors can study additional information about the company from the annual information statement (Form 56-1) of the company shown in www.sec.or.th or the company's website www.hydrotek.co.th

1.2 Nature of business

HYDROTEK is a company that is a leader in the construction business as its main business. By accepting construction work from both government agencies State enterprise agencies and the private sector which accept work as a direct contractor (Main Contractor) or sub-contractor (Sub-Contractor) as well as collaborating with other contractors in the form of a joint venture (Joint Venture) which It is a joint venture in a construction project that does not separate the pieces or the workload of each investor Each investor is responsible for the profits or loss according to the mutually agreed upon proportion Or also in the nature of a joint venture (Consortium), which is an investment in a construction project that can separate the pieces and the workload of each person can be separated from each other and each investor is responsible for the profits or losses independently of each other. HYDROTEK has operated its business so that the company has more stable and sustainable growth with the business of management, sales, as well as investment in other public utility businesses, HYDROTEK aims to create shared value for all groups of stakeholders in a balanced and sustainable manner by focusing on service development for deliver good quality work to all stakeholders along with improving the quality of life of communities in every area where HYDROTEK conducts business. The overview of HYDROTEK's business operations is as follows.

1.2.1 Income structure

Income type	2022	2023	Change (Million Baht)	Change (%)
Construction income	123.62	71.13	(52.49)	(42.46)
Service income	6.65	3.02	(3.63)	(54.59)
Total	130.27	74.15	(56.12)	(43.08)
Other income	2.74	2.77	0.04	1.46
Profit (loss) from gross operations	(17.39)	(8.09)	9.30	-
Profit (loss) from recurring transactions				
Before deducting depreciation distribution cost Interest and taxes (%)	(50.58)	(78.87)	(28.29)	-

1.2.2 Product information

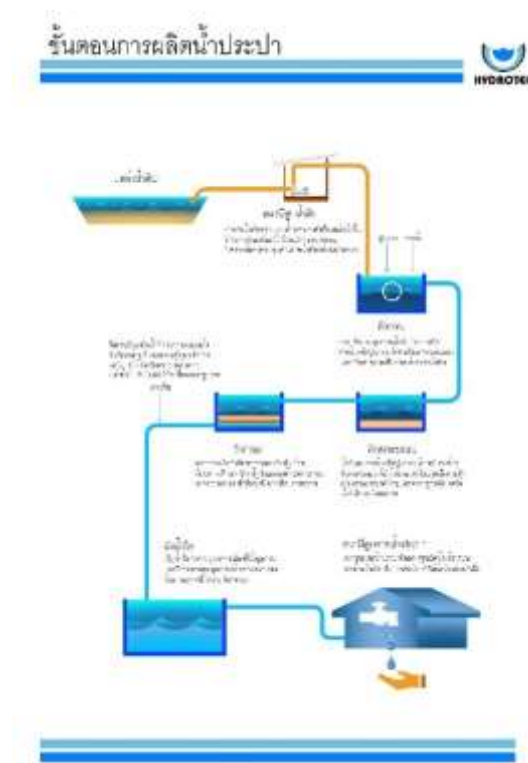
Product or service characteristics

1. Water production system

Water production system means bringing surface water. or raw water from various natural water sources such as rivers, canals, lakes, basins, collect water and sea water into the production process to get water of the quality and quantity according to customer needs, including tap water, fresh water, and pure water. For use in consumer, agriculture and industry or used in industrial plants located in areas near the sea or in areas where water prices are high each type of water produced uses production technology of different complexity. If considering the company's water production system services, they can be separated according to the type of water output as follows:

1.1 Portable Water Plant

It is the introduction of surface water or raw water into the production process to obtain tap water. The water obtained will be used for consumption, agriculture, and certain industries that do not require high quality water. The tap water produced must have a solution concentration of less than 500 milligrams per liter and must meet the standards set by the Provincial Waterworks Authority and the Metropolitan Waterworks Authority, including physical characteristics such as color, taste, odor, and turbidity; chemical characteristics such as the amount of solution. and hardness Characteristics of toxic substances (heavy metals) such as mercury, lead, and arsenic. Customers who use tap water production systems include various communities and industrial plants. The tap water production process can be explained as shown in the picture.

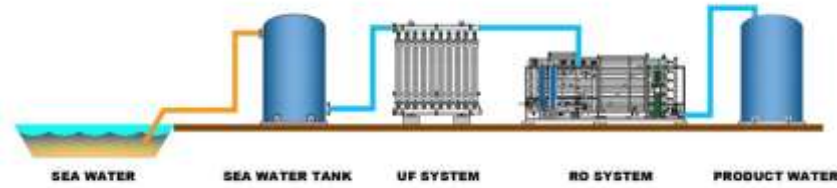


Water production process

1. Pump surface water or raw water from natural water sources. or other water sources provided or prepared which such water will have turbidity and various solutions Including heavy metal contamination.
2. Improve the quality of raw water by adding alum or lime to the water for helping cause sedimentation and adjust the pH of raw water.
3. Sedimentation by water mixed with alum or lime then flows into the sedimentation tank for making small sediments gather into large sediments and fall to the bottom of the tank until you get clean, clear water.
4. Filter again to remove sediment or very small contaminants. By filtering with sand filter Gravel filter for truly clear, clean water.
5. Disinfect by adding chlorine in the right ratio and does not cause harm to the body Then put it in a clear water tank for waiting to be pumped
6. Inspect and control the quality of produced tap water.
7. Releasing water from a high tank tower or pumping water into the water supply pipe system to increase water pressure. In the production of tap water, there will be waste remaining from production, such as sediments of suspended substances mixed with raw water. Most of it is soil, which has no impact on the environment because it is a natural substance. And in the production process, no chemicals are added. dangerous In addition, the chemicals used in the production process are chemicals that help in coagulation of sediment and are used in small quantities. The company has methods for disposing of those sediments by burying them.

1.2 Desalination Plant

It is the introduction of seawater into the production process to obtain fresh water. Customers who want to use such services include communities and industrial plants located near or adjacent to the sea or in areas where fresh water is expensive. or lack of fresh water by the sea water used In production, it must go through a filtration process to remove solutes and turbidity. This is because seawater has turbidity and the solution concentration is as high as 35,000 - 45,000 milligrams per liter. (Mostly sodium and chloride) which the production process is similar to the process of producing tap water. But it requires more complicated technology. By using a filtration system that uses pressure through a high-resolution filter, including using a MF or UF filter system and RO, which is called Sea Water Reverse Osmosis (SWRO).



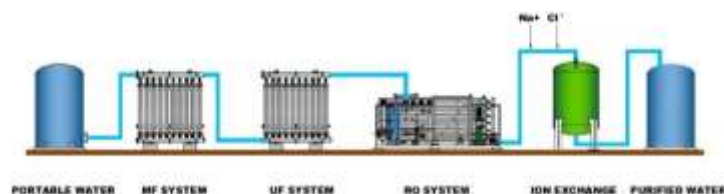
Process for producing fresh water from seawater

1. Pumping water from the sea
2. Put it through a filtration process with a MF or UF membrane system to filter out suspended particles.
3. Put it through a filtration process with a SWRO membrane system to filter out the salt solution to get fresh water.
4. Store it in a clear water tank to wait for use.

In the production of fresh water from seawater, there will be waste left over from production, including high concentration brine. This is because in the process of producing fresh water from sea water, the salt solution in sea water is separated. As a result, there are two parts of the product: fresh water and high-concentration saline water that have no impact on the environment. The water obtained from such production can be further produced into pure water by going through a pure water production process that will further said

1.3 Demineralization Plant

It involves bringing tap water into the production process to filter out remaining solutions, including various mineral salts. The process of producing pure water requires production technology that is more complex than producing tap water. It is using the method of exchanging electric ions to obtain water that is as pure as the desired level. The customers of pure water production systems include power plants, industrial plants in the oil refining business. Electronic circuit board production business and drinking water business. If the water is of inappropriate quality, it may cause production problems for the industry. This is because some types of solvents cause the efficiency of factory equipment to decrease, such as limestone or silica.



Process for producing pure water or demineralized water

1. Take the tap water from the production process to filter out small mineral salts that remain in the tap water through a membrane filtration system. Starting with the MF filtration system or UF

filtration system before passing through the RO filtration system until the water is left with only sodium ions (Na⁺) and chloride ions (Cl⁻).

2. Bring water that has passed the above filtration process into an ion exchange process to filter such small particles. The positive ions from Na⁺ and negative ions from Cl⁻ will be captured by Resin (a polymer that is insoluble in water and has ion exchange properties) makes pure water.

3. Check the quality of the water received.

4. Store it in a clear water tank to wait for use.

In the production of pure water, there will be waste left over from production, such as chemicals used to clean the resin, which has no impact on the environment because it is a salt solution but has a high concentration. It must be diluted to a concentration that is permitted by law to be discarded. The resulting pure water is water that has no benefits to the body. Because it has gone through a process of filtering out all the mineral salts, therefore, entrepreneurs in the drinking water business add mineral salts that are beneficial to the body during production. This results in water that is more valuable and beneficial to the body, such as mineral water, which helps add value to the water produced.

2. Wastewater Treatment Plant

Refers to the removal of contaminants in water that arise from industrial production processes or caused by the daily activities of people living in the community or various habitats to be eliminated or the amount of contaminants in the water reduced until the quality meets the wastewater standards according to the announcement of the Ministry of Natural Resources and Environment No. 3 (1996) on setting control standards Wastewater drainage from various types of sources such as industrial factories and industrial estates. Various residential buildings and agricultural areas, etc., which wastewater generated from various sources There will be different amounts of chemicals or concentrated solutions mixed in. Wastewater can be classified according to the main substances that give the wastewater its distinctive characteristics into 5 types as follows.

1. Wastewater containing organic substances which is caused by drinking and using water It will be determined by the BOD (Biochemical Oxygen Demand) value. The BOD value means a measure of spoilage from water used for consumption that is dumped into public water sources or from leaf litter. The BOD value shows the amount of oxygen that bacteria can produce. Want to be used to decompose organic substances, that is, if wastewater has a low BOD value, when it is dumped into a water source, it will not affect that water source. This is because bacteria require less oxygen to decompose. But if the wastewater has a high BOD value, when it is dumped into the water source, it will cause the amount of oxygen in the water source to decrease so much that it will cause fish or other living things. They cannot live in that water source.

2. Wastewater containing chemicals It considers the COD (Chemical Oxygen Demand) value, which means the measurement of spoilage. Wastewater caused by chemicals, where the COD value shows the amount of oxygen used to oxidize to become carbon dioxide and water.

3. Wastewater in suspended solids It considers the TDS (Total Dissolved Solid) value that must be treated, which is the amount of solids dissolved in the water and able to flow through the fiberglass filter paper. When the amount of suspended solids is filtered out, the clear water passed through fiberglass filter paper is evaporated. This will allow you to find the amount of solution.

4. Wastewater containing heavy metals

5. Wastewater from other chemicals

Therefore, services regarding wastewater treatment systems depend on the nature of wastewater and the level of wastewater treatment that customers require. This means treating wastewater for reuse or general wastewater treatment (Treat wastewater to meet the wastewater quality standards set by the Pollution Control Department. specified by the Ministry of Natural Resources and Environment). The customers that the company serves include both government agencies and private industries which are industrial plants. The type of wastewater treatment system that the company provides is divided into 2 types as follows:

2.1 Wastewater Recycle Plant

Refers to wastewater treatment systems for industrial factories and industrial estates in order to obtain water with quality and properties suitable for use in production processes. The treatment of wastewater for reuse helps industrial plants reduce water costs at a lower rate. This is because most industrial factories in industrial estates have to purchase raw water from the industrial estate and go through the water production process. This causes costs in terms of raw water. But the wastewater treatment process for reuse uses wastewater from the factory to go through a treatment process. As a result, there will be no cost for raw water, resulting in a lower water rate. In addition, treating and reusing wastewater also helps preserve the environment and reduces the amount of water used from natural water sources as well.

Production process of wastewater treatment system for reuse

1. Take wastewater through a filtration process with a MF or UF membrane system to filter out suspended particles.

2. Put it through a filtration process with an RO membrane system to filter out contaminated solutions and keep the water in a water tank waiting to be used.

2.2 Wastewater Treatment Plant

Refers to wastewater treatment systems for industrial plants and community areas in order to obtain water that has sufficient properties to be released into natural water sources. The wastewater treatment methods that the company provides services to customers can be separated into 3 types according to the difference in levels of water waste. (Wastewater characteristics) as follows:

1. Physical therapy is a basic wastewater treatment process used in the primary treatment of wastewater generated from industrial plants and large communities, including the process of trapping large waste, fat and oil removal process, sedimentation process using chemicals and the process of removing toxins such as heavy metals.

2. **Biological treatment** It is a wastewater treatment process that uses biological principles. The company will design and construct a treatment system for growing microorganisms to decompose pollutants in wastewater. This process is suitable for treating wastewater generated from general community or municipal sources, industrial plant and industrial estates.

3. **Sludge removal** is a method for treating sludge that arises from wastewater treatment from both physical treatment processes and biological treatment processes using a method of squeezing water out of the sludge to make the sludge dry and reduce the volume of the sludge which makes it convenient to transport to dispose. The machinery used to squeeze water out of sludge includes a sludge press, sludge press machine or a sediment centrifuge, etc. This process will be used in the sediment removal process of wastewater treatment systems from communities, municipalities, and industrial plants including sediment from water production systems. The customers who use wastewater treatment systems can be divided into 2 groups according to the source of the wastewater source as follows:

1) Wastewater treatment from community sources

The amount of wastewater from community sources in Thailand mostly has organic substances mixed in the water source which can measure a BOD value of approximately 100 milligrams per liter. For the wastewater treatment process, biological methods are used, which is the use of bacteria to treat wastewater, which can be divided into 2 types:

1. A method that uses oxygen to remove organic substances

It is wastewater treatment by using bacteria to digest organic substances in the wastewater. By adding oxygen to the water so that bacteria can expand and digest organic matter faster. The bacteria will clump together. And when there is a lot of it, it will precipitate. Makes water of better quality

2. A method that unuses oxygen to remove organic substances

It is a wastewater treatment that is popular in community areas. Because it is a simple and not complicated method. And the cost is not very high. This method is a method of treatment by using bacteria that are present in wastewater to disappear. But the operation takes quite a long time. And the result of the bacterial digestion of organic matter is gas, which creates odor pollution for the community. Because the wastewater treatment system from community sources has a simple process. As a result, the company has many competitors. Therefore, in order to prevent and avoid such competition. The company therefore focuses on providing wastewater treatment systems for industrial plants that require experience, expertise and chemical methods that are more complicated than wastewater treatment systems from community sources.

2) Treatment of wastewater from industrial plants

Wastewater from industrial plants is wastewater that has higher amounts of dirt and contaminants than wastewater from municipal sources. However, such dirt and contaminants vary according to the type of business of the industrial plant. for which biological treatment alone is not sufficient. Since chemicals

and solutions cannot be completely eliminated by such methods, wastewater treatment systems for industrial plants must rely on more complicated and complex chemical methods. It requires physical treatment and sediment removal methods.

Wastewater treatment steps

1. Pre-treatment

It is the removal of large solids from wastewater before it is released into the wastewater treatment system. To prevent clogging of the water pipes and not cause damage to the pump. The levels of treatment steps are as follows:

- Trapping with a sieve It is the removal of large solids by using a sieve. There are generally two types of sieves: coarse sieves and fine sieves.
- Grinding is the process of reducing the size or volume of solids into smaller sizes. The large waste will pass through a grinder to be finely crushed before being separated into a sedimentation tank to wait for separation by sedimentation.
- Sand cone trapping is the removal of grit and sand which causes sedimentation in the sand and gravel trap by reducing the speed of the water.
- Consideration of fats and oils is to reduce fats and oils while waste that comes from the household, cafeterias, oil retention rooms and industrial plants that must store wastewater in grease traps need one to allow oil and grease to float up. Inspect the water and then use a scoop or sweeper to remove it from the disposal pond.

2. Secondary Treatment

It is the removal of wastewater that contains organic substances in the form of solutions or colloidal particles, which is generally called this second stage of treatment “Wastewater treatment using biological processes” because it is a process that requires bacteria to decompose or destroy impurities in wastewater. Currently wastewater treatment requires a second stage of treatment in order for the treated wastewater to meet the wastewater quality standards set by the government. The wastewater treatment using biological processes can be divided into 2 types as follows:

1) Using oxygen

Adding oxygen to wastewater and there must be a sufficient amount of oxygen that will prevent the wastewater from becoming foul. for bacteria to expand and acts to decompose organic substances faster which the bacteria will clump together until they come together in large numbers and precipitate occurs.

2) Unusing oxygen

It is a wastewater disposal process that relies on anaerobic bacteria to decompose organic substances contaminated in wastewater. This method of wastewater treatment takes a long time to decompose. After the decomposition is complete, it will cause the water source to smell bad.

3. Advanced Treatment

It is wastewater treatment that has been treated in the second stage to remove some impurities that remain, such as heavy metals or certain types of germs, etc., before being released into public water

sources. This stage of wastewater treatment is not popular in practice. This is because the process is complicated and expensive. Most of those who will treat advanced wastewater will treat it for reuse.

4. Waste to Energy

It is a process of treating wastewater or waste that exists in industrial plants. Agricultural and community industries such as wastewater from industrial factories, sugar factories, and cassava starch factories. Palm oil extraction factory, pig manure, and community waste, etc. These wastes or leftover materials will be put into a biological treatment process. By using bacteria to treat wastewater. which can be divided into 2 processes as follows

1. Air-based process

Organic matter is decomposed into carbon dioxide and a large number of microorganisms are created approximately 50 percent of the organic matter in the wastewater is converted into microorganisms by this treatment process. It has the advantage of The system is highly efficient and takes a short time for treatment But there is a disadvantage that must have high treatment costs when the system needs to be sprayed with air.

2. Anaerobic Process

In this process, approximately 80 - 90 percent of the organic substances in wastewater are decomposed into methane gas and carbon dioxide which is collectively called biogas. The bacteria involved in the decomposition grow relatively slowly that makes the system start slowly. In addition, the efficiency of the treatment system is therefore large. Moreover, the system does not adapt well to changes in the environment. And during removal, sometimes hydrogen sulfide gas may occur.

However, air-based technologies often rely on machinery to aerate wastewater. It wastes energy and costs. The results of the treatment will be carbon dioxide and water. As for technology that doesn't use air, also known as technology. Treatment of wastewater or waste by anaerobic methods This will cause the by-product to become biogas, which is a product of bacteria in the system. The amount of biogas obtained from the treatment process basically depends on the quantity and quality of the waste used as raw materials. If animal manure is used, approximately 20 - 22 cubic meters of biogas will be obtained per 1 ton of manure volume. And if wastewater from industrial plants is used, 2 - 200 cubic meters of biogas will be obtained per 1 ton of wastewater volume. The amount of biogas will be high only if the COD value in the wastewater used as raw material is high. It is treated in a tank that is heated and the wastewater is continuously agitated.

(1) Characteristics of products and services and innovation development

HYDROTEK is a company that is a leader in the construction business as its main business by accepting construction work from both government agencies State enterprise agencies and the private sector which accept work as a direct contractor (Main Contractor) or sub-contractor (Sub-Contractor) as well as collaborating with other contractors in the form of a joint venture (Joint Venture) which It is a joint venture in a construction project that does not separate the pieces or the workload of each investor Each investor is responsible for the profits or loss according to the mutually agreed upon proportion or also in

the nature of a joint venture (Consortium), which is an investment in a construction project that can separate the pieces and the workload of each person can be separated from each other and each investor is responsible for the profits. or losses independently of each other. HYDROTEK has operated its business so that the company has more stable and sustainable growth. With the business of management, sales, as well as investment in other public utility businesses, HYDROTEK aims to create shared value for all groups of stakeholders in a balanced and sustainable manner by focusing on service development. To deliver good quality work to all stakeholders. along with improving the quality of life of communities in every area where HYDROTEK conducts business The overview of HYDROTEK's business operations is as follows:

1. Construction business
2. Systems management and maintenance business
3. Sales business
4. Investment business

1. Construction business

HYDROTEK operates a construction contracting business which is focusing on basic infrastructure projects both with the government and private sectors (Engineering, Procurement and Construction: EPC) HYDROTEK provides design, procurement, construction and installation of machinery and equipment. Including commissioning of one of the systems or providing complete services. Providing a one-stop service helps customers receive complete, convenient service and reduces the burden of procuring equipment, recruiting a designer and experienced contractors to carry out construction for structural construction work such as construction of water storage tanks, buildings, water pump stations and other civil works. The company will hire subcontractors with reliable quality. and has previously had work with the company to carry out such construction.

2. Systems management and maintenance business

HYDROTEK is a leader in the management of operations and maintenance (Operation & Maintenance, O&M) for both water and waste water systems. HYDROTEK provides services for operating water production systems. To obtain quality water according to the standard criteria set forth in the contract and meets the criteria of the Provincial Waterworks Authority or the Metropolitan Waterworks Authority This is to ensure that the tap water is of the specified quality. Or in the water section RO or demin according to the criteria set by the customer or water users for wastewater take care of the quality to meet the criteria of industrial estates or the Ministry of Natural Resources and Environment. HYDROTEK has tested water quality in every step of production with efficient production and expertise, HYDROTEK's produced water has always met the required criteria.

3. Sales business

To expand its customer base, HYDROTEK has expanded its scope of sales business development. By bringing in strengths in water management for a long time Let's further develop and design a water-based biological product containing high-potency microorganisms for use in eliminating organic substances for households. To meet the needs of public utilities, HYDROTEK is careful in selecting

materials and equipment, experts, and bringing technology along with making products. in order to meet needs and good quality of water in daily life.

4. Investment business

With vision and the policy of the management team that recognizes the need to expand opportunities to expand the scope of business operations Creating highlights and create stable growth and sustainable for the company. HYDROTEK will prepare a plan for entering the role of investor to conduct the business of developing complete basic infrastructure projects.

(2) Marketing, target groups, competition, and status and competitiveness in the industry

1. Industry conditions

The construction industry is experiencing high competition among contractors in the country due to the economic slump over the past several years due to the impact of the COVID-19 pandemic. This has caused a large number of small contractors to cease operations and there are factors that are not conducive to business operations, such as the change of government that has caused the budget for construction and government construction work to be limited and the price of construction materials has increased causing construction costs to increase.

The format for accepting government and private sector work uses a bidding method. By selecting the contractor that offers the lowest price and have the qualifications according to the specified criteria If there are many contractors bidding employers will have many opportunities to choose contractors. At the same time, contractors who meet the qualifications specified by the employer have the right to select projects to participate in the bidding, making the competitive bidding market a free market. Employers and contractors have the right to negotiate prices. However, the employer will determine the qualifications of the contractors who will participate in the bidding. and has the right to select any contractor according to the specified criteria and has become more concentrated in defining qualifications with every passing year.

From this bidding method, the competitive environment faced by companies in the construction contracting business. Find out which companies can accept many types of construction work and have experience and expertise in many types of work. Has more qualifications for bidding than other companies. The main factor depends on the ability to complete the work within the specified time.

The reason that the company unable to accept work according to specified goals because construction projects in which the company is interested and within the company's goals include the work of the Provincial Waterworks Authority. However, in 2023, there will be only a small number of high-value projects coming out for bidding. The Company expects that there will be large projects bidding and the company has passed the criteria set by contractors in 2024.

The trend of the construction industry in 2024 is likely to grow at an increased rate. It is expected that the construction project will be able to complete the bidding process and sign the contract within the year including various large projects (projects worth 100 million Baht or more).

1. Marketing

1.1 Pricing strategy

The company has established a policy for bidding on work or accepting work from a clear employer before accepting work at the company will assess the readiness of the company before accepting the job which is considering the experience and expertise in the company's work. The readiness of personnel and teams, which the company has a policy to set prices based on the cost of construction and service work and estimated costs plus additional profit (Cost Plus Margin), which requires that the gross profit margin must be not less than 10 percent of the estimated budget. However, if it is necessary to accept work with a gross margin lower than the specified amount. The Company will inform the Board of Directors' meeting later at least once per quarter.

1.2 Distribution channel strategy

The company provides services through 2 distribution channels, including participation in government job bidding announced on the Comptroller General's Department's website and direct contact from the employer. In participating in bidding for work, the company emphasizes participating in bidding for work that has the possibility of being awarded the job. The channel for getting jobs this year is from government agencies. The company will follow news about the opening of construction contract bidding through various media such as the internet, newspapers, and various public relations advertisements. This will specify the contractor's basic qualifications, such as experience in construction work of the same type as the bidding work, and being a contractor who is registered as having the specified qualifications, etc. The company will purchase bidding forms to study details and estimate the construction budget for the said project and present it to the approval authority for consideration according to the approval authority level set forth. For employers who come in to directly use the service, include private agencies that receive recommendations from existing customers and business partners of the company, and project consultant of the employer. Including customers who come in to directly use the service, which the acquisition of work in such manner is the result of building a reputation in business operations. By adhering to the principle of honesty towards customers focus on creating quality and efficient work. Building good relationships with customers and business partners. Including providing good after-sales service is important.

1.3 Marketing and public relations strategies

The company implements marketing and public relations strategies, emphasizing the maintenance of good quality and construction standards in order to achieve an efficient work system that satisfies customers and emphasize providing good service and after-sales advice to build good relationships with customers which is considered a guideline for retaining existing customers to remain with the company. In addition, the company also places importance on expanding the customer base to cover a wider range of business types. It is under the policy of expanding business into construction and accepting management

of environmental engineering work that relies on high-level engineering expertise, including customers in business sectors with good potential and growth, such as the energy business group and industrial estates.

2. Target customer group

The company's target customers are divided into 2 groups: government agency customers and private sector customers, for which the company provides services as a main contractor (Main Contractor) or a sub-contractor (Sub-Contractor). Before accepting work, the company will evaluate the company's potential. To prevent risks that may arise from late delivery of work, including the Company's past work or work experience. The readiness of personnel and teams and the profit rate which must be in accordance with the specified policy. Along with considering customer selection To prevent the risk of not receiving payment for services, both government agency customers and private agency customers. There will be a nature of work acquisition, conditions/qualifications of contractors and different types of contracts, for example, government agencies will source the work through a bidding process. Meanwhile, private agencies will have hiring formats including public relations through the media to call for bidding. and contact the company directly (Through recommendations from existing customers and/or partners or direct contact for services). Most government agencies have construction conditions that specify a price adjustment contract for the price of construction work.

Customer group	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Government agencies	262.10	96.90	123.61	94.89	71.13	95.93
Private agency	8.09	3.10	6.65	5.11	3.02	4.07
Total	270.49	100.00	130.26	100.00	74.15	100.00

3. Competition

3.1 Competition in the construction business

Construction work includes construction of water production systems. Wastewater treatment system and wastewater treatment systems for reuse. The competitors in this type of business include both Thai companies and joint ventures with foreign companies. The hiring of construction work will be in the nature of full-service contracting work. From design, construction, procurement, installation and commissioning of production systems which accepts work in such a manner. Contractors can manage costs more efficiently than if they were to do a specific job, such as design alone. or construction only. Therefore, the construction service business group has quite intense competition which is competitive in price, quality of

work and timely delivery of work. Experienced construction team and have the ability, therefore, it is necessary to gain an advantage over competitors. The company is registered as a contractor. Provincial Waterworks Authority, 1st floor, and has high value construction work. Therefore, making it possible to bid on large projects.

3.2 Competition in the water supply system management and maintenance business

Nature of competition for water supply system management and maintenance work It is a contract for the company take care of systems with high technology, such as the sea water production system, SWRO, etc. The competition will be bidding for contracts. by producing water to the quantity and quality of water specified or agreed upon and has a project management team for the project. Currently, competition in this type of business is quite fierce. The competition will be a price competition. But must be able to control the quantity and quality of water produced. Maintain machines according to schedule (Preventive Maintenance) and repair machines that have problems (Corrective Maintenance) as well as make monthly reports to customers to see the performance of the system.

3.3 Competition in the investment business of water production and wastewater treatment projects

Investing in tap water production involves requesting a concession to invest in selling tap water in the area. The Provincial Waterworks Authority has not gone in to sell water yet. The selling price will be compared with the selling price of water that the regional waterworks distributes to the public. Such investments will require capital expenditures before income from water sales can be realized. Therefore, it is necessary to have a source of funds. As for investment in wastewater treatment, the company has looked at investing in ASEAN countries that gives importance to wastewater treatment Regulations and laws regarding wastewater treatment began to be implemented. Most of the competition is with large companies. Therefore, it is a competition in terms of price. Quality of water produced Delivering work on time and providing after-sales service.

4. Status and competitive potential

The construction industry is likely to have better growth in 2024, with the company having the potential to compete in bidding. To open up the opportunity to receive project work as follows:

- Small project competition (Value from 1,000,000 - 100,000,000 Baht)

In bidding for small projects, the company has the potential to accept a lot of construction projects. Most of the work will be in the private sector or small government projects that do not require very high investment costs. This causes the work in this group to have a large number of contractors and there is a relatively high rate of competition in the field of molds.

- Medium-sized project competition (Value from 100,000,001 - 500,000,000 Baht)

In bidding for medium-sized projects, it is a project that uses moderate working capital. Using construction technology and reasonable personnel, the company has the potential to fully work on the project in the bidding competition.

- Bidding for large projects (Value from 500,000,000 Baht or more)

For large projects, it requires high working capital, high technology in construction and a large number of diverse personnel and has high professional expertise but there are few competitors. In the said project group, the company has a portfolio of experience and potential for competitive bidding.

(3) Procurement of products or services

Construction materials and equipment that are Important materials and equipment for current projects include HDPE pipes and equipment, steel pipes, piles, water pumps, steel, concrete, etc. The company has adhered to TIS standards of the project owner without having a monopoly with any distributor. Due to the procurement process, price, quality, delivery and reliability must always be checked. In order to get the best distributor in terms of quality, price and service, each order will be submitted and approved by the job owner and supervisor. In order to achieve the quality that the owner of the work and the supervisors want it. The company still has to prepare a procurement contract to get the best conditions and can stand the price until the end of the project. As for services, distributors must be responsible for the quality of products and services for at least 2 years.

Construction contractors who are trade partners in various parts of the current project, including the structural section and the land filling section, pipe laying section, rust prevention section and the PLC automatic control system section, which the company has selected contractors for including checking the quality of the work regularly to be able to confirm and build confidence that service results after delivery to the project owner It is accurate, neat, complete, and complete according to the agreed upon terms and conditions.

Summary of main material purchase values for the year 2023

No.	Raw material	Order value	Ratio (%)
1	Steel pipes and equipment	1,445,858.75	6.65%
2	HDPE pipes and equipment	4,891,315.61	22.49%
3	Valve	208,535.00	0.96%
4	Stake	1,885,570.05	8.67%
5	Steel bar	1,665,858.75	7.66%
6	Concrete	11,652,749.40	53.57%
	Total	21,749,887.56	100.00%

Summary of the value of employment orders for the year 2023

No.	Type	Order value	Ratio (%)
1	Structural division	17,110,482.83	36.01%
2	Pipe laying section	9,712,658.33	20.44%
3	Electrical and mechanical work division	3,296,537.49	6.94%
4	Other sections	17,396,914.77	36.61%
	Total	47,516,593.42	100.00%

Construction planning and preparation

- Construction Schedule : Plan work procedures to be in line with conditions. and determine the delivery time for the work
- Prepare a resource plan : Preparing for employment the number of people appropriate to the nature and amount of work, hiring sub-contractors. Find a material supplier and plan the use of materials and machinery
- Prepare temporary offices : For construction, production, and delivery of work occurring in the customer's area or project owner and the project manager's duties in preparing various utilities necessary to work ready.
- Prepare a detailed work plan : The project manager will prepare a work plan for each step against the timeline for the benefit of controlling the work to proceed according to the schedule and standards required by the project.

(4) Assets used in business operations

The Company has assets used in conducting business as of 31 December 2023, with details of each asset as follow.

Type of asset	Ownership	Cost (Thousand Baht)	Book value (Thousand Baht)	Obligation
1. Investment property	Own	3,000.00	2,180.75	Yes
2. Land and equipment	Own	65,290.90	6,860.41	No
3. Right of use assets	Rental	14,444.77	4,982.40	No
4. Intangible assets	Own	112,480.36	108,825.14	No

1. Investment properties

As of 31 December 2023, the Company and its subsidiaries have investment property according to the book value as follows:

Type of asset	Ownership	Book value (Thousand Baht)	Obligation
Land	Owner	2,180.75	Yes*
Total		2,180.75	

* In 2023, the company uses investment properties as collateral. To submit a request for a stay of execution at the appeal level for the court is considering accepting security.

2. Land and equipment

As of 31 December 2023, the Company and its subsidiaries have land and equipment according to the book value as follows:

Type of asset	Ownership	Book value (Thousand Baht)	Obligation
1. Rental building improvements	Owner	75.48	No
2. Tools and equipment	Owner	3,916.92	No
3. Office supplies and decorations	Owner	816.55	No
4. Vehicle	Owner	2,051.46	No
รวม		6,860.41	

3. Right of use assets

The Company has no ownership rights in the right-of-use assets because they are leased. As of 31 December 2023, the Company and its subsidiaries have assets, rights-of-use according to the book value as follows.

Type of asset	Ownership	Book value (Thousand Baht)	Obligation
1. Land	Rental	2,418.66	No
2. Building	Rental	1,353.03	No
2. Office supplies	Rental	139.29	No
4. Vehicle	Rental	1,071.42	No
Total		4,982.40	

3. Intangible Assets

As of 31 December 2023, the Company and its subsidiaries have intangible assets according to the book value as follows:

Type of asset	Ownership	Book value (Thousand Baht)	Obligation
1. Computer program	Owner	170.65	No
2. Rights under the concession agreement	Owner	108,596.04	No
Total		108,766.69	

(5) Work that has not yet been delivered

Project name	Job description	Amount (Baht)	Expected year of completion	% of work that has not yet been delivered
Construction project to improve and expand the Provincial Waterworks Authority Chaiyaphum Branch (Ban Khwao) Mueang Chaiyaphum District – Ban Khwao, Chaiyaphum Province	Construction work to improve and expand the Provincial Waterworks Authority	558,798,940.00	2024	0.88%
Construction project to improve and expand the Provincial Waterworks Authority, Rangsit Branch, Part 2	Construction work to improve and expand the Provincial Waterworks Authority	482,000,000.00	2024	27.51%
Construction project to develop a high-speed rail system, Saraburi - Kaeng Khoi section.	Construction work to develop the high-speed rail system, Saraburi - Kaeng Khoi section.	684,800,000.00	In the process of delivering the area	_*

* In 2023, it is in the process of preparing and requesting permission to use materials and detailed drawings.

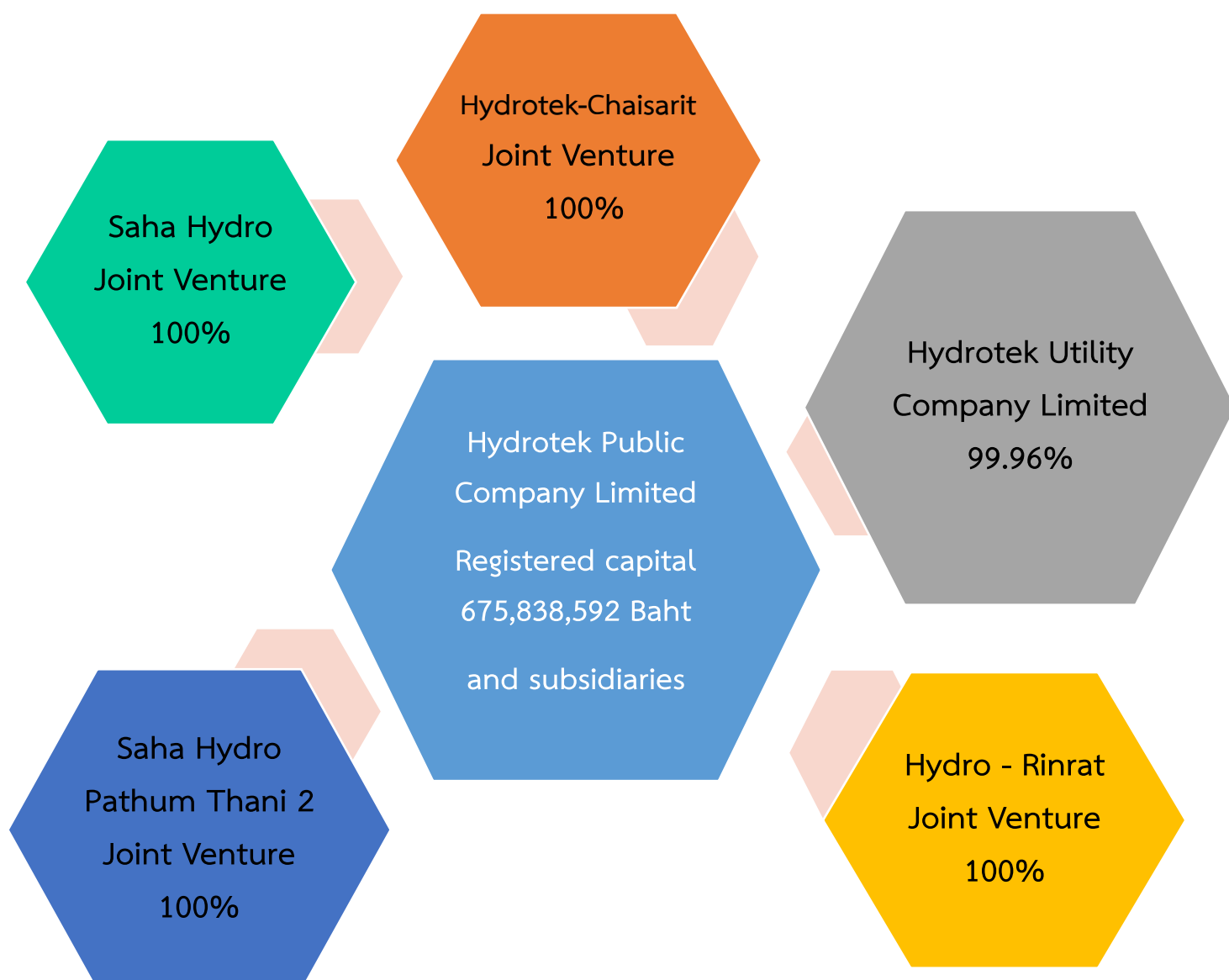
1.3 Group shareholding structure

1.3.1 Structure of the company's shareholder groups

Hydrotek Public Company Limited operates a construction business. Receive management and investment in environmental engineering work as follows:

1. Basic infrastructure construction contracting business with the public and private sectors
2. Providing services and management of water systems, both water and wastewater systems.
3. Sales business
4. Investment business in water production and wastewater treatment projects

The shareholding structure of the group of companies is as follows:



1. Business operations of subsidiaries

- Hydrotek-Chaisarit joint venture, the establishment contract was made on 24 February 24 2014 with a registered capital of 1,000,000 Baht. The company holds 100 percent of the shares. The objective is to carry out the construction of a medical waste treatment system at Naresuan University, Phitsanulok Province.

- Hydrotek Utility Company Limited was established on 13 January 2015 with an initial registered capital of 1,000,000 Baht, divided into 10,000 common shares with a par value of 100 Baht per share. The company holds 99.96 percent of the shares. The company's executive has a shareholding percentage of 0.04% with the objective of operating investment projects in the production and distribution of tap water and related businesses.

- Saha Hydro Joint venture entered into an establishment contract in April 2017 with a registered capital of 1,000,000 Baht with the objective of constructing, improving and expanding the Provincial Waterworks Authority, Chaiyaphum branch - (Ban Khwao), Mueang Chaiyaphum District - (Ban Khwao), Chaiyaphum Province, which the Company holds shares in the proportion of 51 percent. Later in July 2018, additional notes were made to the joint venture agreement. Both sides agreed that Hydrotek would be responsible in carrying out the said business alone which from the said additional record. As a result, Hydrotek Public Company Limited is a joint venturer of the joint venture. Saha Hydrotek alone with a proportion of 100 percent.

- Saha Hydro Pathum Thani 2 Joint venture was established on 15 May 2020 with an initial registered capital of 1,000,000 Baht. The company holds 51 percent of the shares and Sahakarn has a 49 percent shareholding with the objective of participating in project contract work for construction, improvement, and expansion of the Provincial Waterworks Authority Rangsit Branch, Thanyaburi - Lam Luk Ka - Khlong Luang District, Pathum Thani Province (Section 2) and working together to construct the said project in the case that the Hydro - Rinrat Joint Venture is a contract with the joint venture. Saha Hydro Pathum Thani 2 (project owner) later made additional records of the joint venture agreement. Both sides have agreed to let Hydrotek is solely responsible for carrying out such business from such additional recording, Hydrotek Public Company Limited is the sole joint venture partner of the Saha Hydro Pathumthani 2 joint venture with a proportion of 100 percent.

- Hydro - Rinrat Joint Venture was established on 22 October 2020 with an initial registered capital. 1,000,000 Baht. The company holds 75 percent of the shares and Rinrat Limited Partnership has 25 percent of the shares. The objective is to participate in contract work for the construction project, improvement and expansion of the Provincial Waterworks Authority Rangsit branch, Thanyaburi - Lam Luk Ka - Khlong Luang District, Pathum Thani Province (Part 2) and jointly work on the construction of the said project in the case that the Hydro - Rinrat Joint Venture is a contract with the Saha Hydro Pathum Thani 2 Joint Venture (the project owner). Later, additional records were made joint venture contract. Both sides agreed that Hydrotek would be solely responsible

for the said business from such additional recording, Hydrotek Public Company Limited is the sole joint venture partner of the Hydro - Rinrat joint venture. with a proportion of 10 percent.

1.3.2 Shareholders

List of shareholders and shareholder group structure of the company

The company compiles a list of shareholders by closing the register as of 31 December 2023, and the top 10 shareholders first, it can be divided into groups as follows:

Name		Number of shares	Percentage
1. Ms. Parisa	Chayawasan	68,125,000	21.84
2. Mr. Somprasong	Panjalak	52,503,958	16.83
3. Mr. Thanawin	Sittichaiwiset	15,050,300	4.82
4. Mr. Thitpat	Amornnantipat	14,724,100	4.72
5. Ms. Sukanya	Phalee	14,400,751	4.62
6. Mr. Kittti	Chewakat	10,964,249	3.52
7. Ms. Nuwapha	Witoonchavalitwong	10,150,700	3.25
8. Mrs. Kruewan	Traisawatwong	7,486,394	2.40
9. Mr. Slib	Soongsawang	5,151,200	1.65
10. Mrs. Pimlada	Phiphatpakorn	4,604,910	1.48
11. Other minor shareholders		108,763,942	34.87
Total		311,925,504	100.00

1.3.3 Relationships with major shareholder business groups

-N/A-

1.4 Number of registered capital and paid-up capital

Registered capital : 675,838,592.00 Baht 675,838,592 shares

Paid-up capital : 311,925,504.00 Baht, consisting of 311,925,504 common shares as of 31 December 2023

1.4.1 The company is a listed company on the Stock Exchange of Thailand.

The company has a total registered capital of 675,838,592.00 Baht, paid in full. Calculated as paid-up capital 311,925,507.00 Baht. Divided into one type of common stock, totaling 675,838,592.00 Baht, value 1 Baht per share.

1.4.2 Restrictions on shareholding by foreigners

Foreign shareholders can hold the Company's shares in aggregate not exceeding 49 percent of the issued and paid-up shares. As of 31 December 2023, the Company's shares held by foreigners amounted to 0.01%.

1.4.3 Cross-shareholding

The company adheres to the principles of good corporate governance. Therefore, there is no cross-shareholding of the group of companies and does not cause conflicts of interest to be resolved by either party buying shares back.

- During the past year The company has no policy regarding share repurchases.

1.4.4 Issuance of Other Securities

- During the year, the company has no policy regarding share repurchases.

1.5 Dividend payment policy

Hydrotek Public Company Limited and its subsidiaries have a policy to pay dividends at a rate of not less than 40 percent of net profit after tax and legal reserve for each year. With starting from 1982, it depends on the economic conditions of the country, market conditions in real estate and construction or in the industry and the company's liquidity as well dividend payout rate will be paid from the standalone budget. Each company will refrain from paying dividends. If the company's consolidated budget still has accumulated losses or has paid dividends, the accumulated profits in the consolidated budget change to accumulated losses.

From the operating results in 2023, it was found that the company had a total loss of 71.71 Million Baht, therefore, refraining from paying dividends.

List	2021	2022	2023
Dividend payment rate (Baht)	-	-	-
Net profit(loss) per share (Baht)	(0.01)	(0.26)	(0.23)
Dividend payout rate per share (Baht)	-	-	-
Dividend payout ratio to net profit (%)	-	-	-

2. Risk management

Risk is a measure of ability to carry out the work's objectives successfully under the decisions, budgets, deadlines, and technical constraints faced, such as creating a project as a set of activities that will be carried out in the future with using limited resources to proceed to success within a limited time frame which is the schedule for future operations. Risks can therefore occur at any time due to uncertainty and limitations of project resources. Therefore, project managers must manage project risks. In order to reduce the problems of the project and can be carried out

successfully according to the goals set with efficiency and efficiency in risk management or risk management which is risk management including the process of specifying analyze (Risk analysis), evaluate (Risk assessment), supervise, inspect and control risks related to activities, duties and work processes. In order for the organization to reduce damage from risks as much as possible from the dangers that the organization must face at a particular time, known as accidents.

2.1 Risk management policy and plan

The Company has established the risk management policy as an important policy of the Company. This will lead to creating additional value for the company by appointing a risk management committee which consists of 3 company directors to perform supervisory duties and follow up on the company's risk management within various departments that has been assessed as being at risk from operations. Those risks may arise from external factors or factors within the company. There are many external factors that cause risk, such as economic and political conditions, natural disasters, spread of virus, market competition, conditions construction material prices, domestic interest rates, exchange rates, laws, rules and regulations. And internal factors that cause risk is project cost management.

The Risk Management Committee consists of senior executives who evaluate key risks based on the magnitude of the expected impact on the target and business operations of the company Including new risks that may occur (Emerging Risk) as well as specifying who is responsible for those risks in the organization that owns the risk as well as assigning risk management to be the responsibility of every executive, planning and determining risk management measures, arrange for monitoring of risk management of various departments within the organization regularly and control various risks to be at the level of risk that the company can accept Including reporting the results of monitoring to the Risk Management Committee for reporting to the Board of Directors.

2.2 Risk factors

1. Strategic Risk

Risk from competition in the industry

The Company has 2 groups of customers: customers of government agencies that manage water, such as the Provincial Waterworks Authority (PWA), sub-district municipalities and district municipalities in various provinces throughout the country, and other government agencies and private agency customer groups such as petrochemical business energy business steel production business food and beverage production business and industrial estates, etc., where the company earns income from providing services to government and private agencies. (both income from construction contracting and income from system management) by government and private agencies are diverse and do not rely on any one in particular. However, because the construction contracting business is a highly competitive business. There are large operators that are direct competitors to the Company. Therefore, the Company may be at risk from private sector customers turning to other operators for services or the Company may not be able to win the contract bidding. from government agencies. If the company is unable to find other jobs to replace the

value of lost work May cause discontinuity of income and has an impact It has a significant impact on the Company's targeted performance.

In this regard, government agency customers such as the Provincial Waterworks Authority and the Bangkok Metropolitan Administration (BMA) have a hiring system that clearly specifies criteria for selecting contractors by requiring all construction contractors to be registered as Contractors of the Provincial Waterworks Authority and Bangkok will have the right to participate in bidding for contract work. The company has been classified as a tier 1 contractor for the Provincial Waterworks Authority and Bangkok (both road work types such as pipe laying work and building work such as water tank construction) which is considered to be an opportunity for the company able to accept work from such agencies and it is another way to distribute work from customers.

In addition, competition in the water system construction industry that requires advanced engineering technology is still not intense. The company is one of the few private companies that can provide services at all levels of job complexity from work that requires basic engineering technology to work that requires advanced engineering technology. The company is able to provide services to a wide range of customer groups such as petrochemical business, energy business (power plants) and food and beverage business that makes the company dose not dependent on any one customer, especially in terms of the policy of maintaining continuity of income. The company has established effective cost control guidelines to be able to create a competitive budget and maintain stable profit margins Maintaining the quality of construction work to meet standards which will build trust in the company's work and create opportunities to accept other projects from employers in the future. From such operations, the company is confident that it will be able to reduce the intensity of competition in the industry to a certain extent.

Risk from strategy formulation

To conduct business efficiently and have the ability to compete, the company has set goals and strategies appropriate to the current situation by analyzing internal factors e.g. personnel factors, management factors, financial factors, etc., and external factors e.g. policy and political factors, economic factors, social factors including other environmental factors, etc. The company may be at risk from analyzing internal factors and external factors make mistakes, causing inappropriate strategies to be determined.

Currently, the business status is subject to intense competition in the industry and from the uncertain domestic and international economic conditions including political changes in the country and abroad. The company has set to review its vision and policies including preparing the company's business plan every year for the company's business operations to be continuous and keep up with changes by holding periodic meetings to monitor and evaluate performance for reviewing and improving the operational plan to be appropriate for current events and achieve the goals set by the company.

Risk from income uncertainty or continuity of income

The company has provided complete services of 2 distribution channels: participating in job auctions or contract bidding and being directly contacted by the employer (Through recommendations from existing customers of the company, business partners of the company and project consultant of the employer Including coming to contact to use the service directly) which the nature of accepting work through bidding under the employer's requirements will mainly focus on price competition. Therefore, the company may be exposed to risks from uncertainty or discontinuity of income If unable to win the bidding for the new project or even cutting government budget expenditures. This may cause the company's operating results not to meet the set goals.

The company is aware of such potential risks. Therefore, guidelines for operating the business have been established to maintain the continuity of income by maintaining the quality of construction work to meet standards, which the company places importance on from the system design stage, procurement of materials and equipment, construction and installation so that post-construction use is efficient, that is water can be produced or wastewater treated to meet quality standards and specified quantities, in order to create satisfaction and make customers or employers trust in the company's work which will lead to opportunities to get other jobs for the future projects. In addition, the company has been registered as a tier 1 contractor of contract work for the Provincial Waterworks Authority (PWA) and has been registered as a tier 1 contractor of road and building work in Bangkok (Bangkok).

Moreover, the company is being registered as a tier 2 contractor of the Metropolitan Waterworks Authority (MWA) for the main pipe laying work by means of digging, laying work to lay water distribution pipes and service pipes by digging, laying civil construction work and construction of water pump stations and water storage tanks. It also helps build confidence in the company's services to customers or other employers. This results in being able to create a certain level of continuity of the company's income.

Risks from investing in water production and wastewater treatment projects

Currently, the company has expanded its business operations to invest in water production and wastewater treatment projects for government agencies and private sector in various industrial sectors which accepting such work is accepting work from the employer in a manner that the company must be responsible for all expenses incurred from investment and project management. The period is approximately 10 - 30 years, which may cause the company to be affected by risks that may arise from the employer not paying service fees to the company. Due to lack of financial liquidity or the employer's bankruptcy before the contract period ends. This will inevitably affect the company's future operating results.

Due to the investment services mentioned above, the company has established a policy to prevent such risks before accepting a job or bidding for a job, the company will consider selecting employers based on their financial status, trustworthiness of executives, along with the rate making a profit according to the specified policy. In addition, the company has expanded its customer base to government

agencies in order to prevent the risk of not receiving payment for services. Therefore, the company believes that it will be affected by the said risk is low.

Risk from additional work that is not specified in the contract

The company's construction services include design, procurement, construction, and installation of machinery and equipment and commissioning of one of the systems or providing complete services. The employer will be responsible for all investment costs by hiring the company entering construction and the employer must pay construction costs to the company according to the conditions specified in the contract. The company is at risk from changes in the needs of the employer. After agreeing to enter into an employment contract within the agreed budget with an order to change the construction plan requirements and scope from the employer. As a result, work will be added that is not included in the contract. The Company will determine the scope of work and additional budget later. The company must therefore bear the cost incurred from additional work for a period of time. If unable to agree on additional work details resulting from changes in the employer's needs will make the company must be responsible for the cost of all additional work. As a result, the profit will be realized lower than expected or may suffer a loss from the contract.

The company has guidelines for managing risks that may occur by setting a clear scope of work and check the contract details carefully before signing the contract. And if the employer changes the order to add more work, the company will negotiate the scope of work and increased costs with the employer for an additional requires contract agreement before further action can be taken.

Risk from political stability

The main income of the company comes from construction work both from government agencies and the private sector in similar proportions. Therefore, the Company may be affected if there are political changes in policy and changes in management in the public sector at the central, regional and local administrative levels. This may affect the operations of the compan's projects that are currently in progress may be halted due to delays in budget disbursement. And projects that have not yet signed contracts may be canceled due to changes in government spending policies. If there is a reduction in budget expenditures, it may affect the amount of new projects in the future. This will cause the operating results not to meet the goals.

However, the company has closely followed and analyzed the political situation by holding monthly meetings of all departments to report on progress of operations and adjusting operational plans to suit changing situations and resolve problems that may occur immediately. In the past, the company has inspected the quality of the company's construction to ensure that it is neat and correct according to the contract for receive quick approval for employment verification and expedite the employer's disbursement of funds by following up on progress in the process and disbursement documents in order not to lack financial liquidity, which may affect the operation of the project.

2. Operational Risk

Risk from construction project implementation being delayed beyond schedule. In the employment contract, the company contracted to perform operations for each employer will specify the exact period of service provided by the company as a contractor, must deliver. Some projects may delays in processing. Generally, such problems are caused by the employer's side such as changes in construction plans, preparing the area for contractors to come to work on time, area delivery, requesting permission to operate in the area of another agency and consideration and approval of various matters related to construction work. These delays may affect the duration and construction costs. However, the company has reduced the risk of delays by coordinating and requesting cooperation with the employer to complete the construction work or there is a cause from the contractor such as an inability to control construction work to be completed within the specified time period or is caused by external factors that cannot be controlled such as natural disasters and protest from people who are in the area around the project, etc. If the said delay is caused by the company as a contractor, the company will have additional expenses from the fines that the employer can demand according to the conditions specified in the contract. This will affect the profit rate in the project.

The company is aware of this problem, therefore, a clear policy has been established regarding the organization of the operating system and ways to prevent risks by planning work and scheduling work according to the Critical Path Method, there is a meeting to propose work plans for construction projects in advance every quarter, such as planning construction work to be completed before the contract period, planning the order schedule/hiring orders and setting guidelines for risk management from events that may cause work delays. In addition, the company has cooperated and coordinated with relevant parties to expedite problem solving so that work can be completed within the contract period or as specified.

Risk from project obligations after delivery of work

The company provides complete environmental engineering services related to water which start from design, construction, procurement, installation, commissioning of the system and wastewater treatment. The contract will specify that the company will be responsible for the damages. Damages and defects that may occur after the work is delivered to the employer for a period of approximately 1 - 2 years. In this regard, the company may be exposed to the risk of obligations during this period.

However, the company has established strict construction measures by controlling the quality of the work to meet standards from design. Ordering standard materials and equipment with product warranties covers the warranty period of the company's work. As well as having inspections from engineers supervising work during construction on a regular basis every work period and have the engineering department send the said report to the executive controlling the project before delivering the work to the employer. In the past, the company never been exposed to the risks mentioned above. However, the company has insurance for damages that may occur after delivery of work for every project.

Risk from being affected by natural disasters

The Company is aware of the risks that may arise from natural disasters. The company has established guidelines for preventing risks from natural disasters including disasters caused by floods, lightning, earthquakes, and windstorms. The company has a policy to insure against all risks from construction work (Construction Erection All Risks Insurance) for each project with leading insurance companies in the country. With coverage conditions that cover damage from floods and all types of natural disasters and an insurance fund that compensates for damages that may occur to both construction work and the company's property as they actually occur.

In addition to preventing such risks, the company has also established a policy to preserve rights regarding the construction period with the employer by issuing a letter requesting an extension of the work period to cover the time lost from not being able to enter the area to carry out construction work.

Operational risks of subcontractors

Risks from the company unable to find a contractor to carry out the work due to various problems. This may be caused by a shortage of contractors, contractors lack labor, a few contractors. There is also a risk that contractors are unable to carry out work as planned due to various problems, such as contractors lacking financial liquidity, risk from late delivery of work. This may cause construction work to be halted, causing the company to not deliver the work to the customer on time.

However, before hiring a subcontractor, the company selects reliable contractors and the quality of the subcontractor's work is inspected before entering into the contract. If the company later finds that the contractor lacks liquidity, and cannot deliver the work as planned, will consider reducing the value of the work in the contract with the original contractor and find new contractors to reduce such risks.

In addition, the company also conducts business by building good relationships with subcontractors, build familiarity with working together. This makes subcontractors become business partners with the company who are ready to accept further work continuously. In addition, the company is also recruiting new subcontractors for supporting the amount of work that will increase in the future.

3. Financial risk

Financial liquidity risk

The company has income from construction work, services and investments in water production and wastewater treatment projects which the form of payment for construction work is according to the specified installments or according to the completion of the work specified in the contract. For service work and investment in water production and wastewater treatment projects, the company will receive monthly payments based on the amount of water produced and actually sell or treat wastewater multiplied by the cost of producing water or treating wastewater per unit which if considered separately by customer type Government agency customers will be the group of customers who have already received

budget approval from the government. But there may be some delays in disbursement while private agency customers. If you encounter a lack of financial liquidity, it may affect ability to pay services to the company.

The company is aware of such risks and has therefore established guidelines for preventing risks that may occur by setting policies before accepting work in both construction work and services and investments in water production and wastewater treatment projects by carefully considering the selection of employers which is considering various information of the employer especially financial information, performance, reliability and stability of the employer's business. This action helps the company to have no problem in receiving payment for construction costs and service fees from employers. In addition, if it is a foreign job, the company will select employers who are government agencies which will be stable by offering a reasonable price so that the employer can use the profits from reselling to the public to pay for the service to the company.

Risk from fluctuations in the prices of construction materials and equipment.

The Company's environmental engineering construction contracting business requires that the company has measures in place to maintain the prices of materials and equipment used in construction throughout the operating period so that the company will not face the problem of making inconsistent profits according to the specified goals. This could affect the Company's operating results and profitability if the prices of those materials and equipment increase. Important construction materials include steel, concrete, piles, pumps, and valves.

However, the company is aware of the risks that may arise from fluctuations in construction material prices. Therefore, policies have been established to prevent and reduce risks that may occur by estimating construction costs from the construction plans received. In order to accurately calculate the quantity and value of construction materials for a particular project and control construction costs within the specified budget, the company has a risk management policy in the procurement process by comparing the prices of construction materials from more than one distributor to get the best price and payment conditions. Determining the price of main construction materials in advance with the construction material distributor to control material costs at least 50 percent of the total material cost and ordering materials and equipment in large quantities by collecting order quantities from many projects in order to have negotiating power and get lower prices which makes it possible to control costs to a certain level. Moreover, in some projects, the company will be hired on a turnkey contractor basis, that is, the contractor will be responsible for both equipment and labor costs or the subcontractor may be responsible only for labor costs, with the company ordering materials and equipment to control costs. From this policy, the company is able to prevent and reduce risks from fluctuations in the prices of materials and equipment to a certain extent.

Interest rate risk

Interest rate risk is the change in market interest rates. The company is therefore at risk from interest rates that may increase in the future. Because the company has borrowing to used for investment projects

and the interest rate is set at a floating rate. It is based on the MLR rate of the bank that lends money. Therefore, if the bank increases the said interest rate. This will affect the financial costs, cash flow and operating results of the company in the future. And in order to reduce risk from interest rates, the company is aware of the need to closely monitor changes. However, due to the company's debt Most of them are short-term debts and various types of guarantees, causing the company to have relatively low interest rate risk.

4. Compliance Risk

Risks from construction projects not being approved by the public

Construction projects were hired by government agencies. There may be some projects where the employer has not held a public hearing or sought approval from the people in the area. Due to people's lack of understanding of the benefits and disadvantages of the project. This may cause construction delays. Because the company unable to enter the construction area. In addition, they lose the opportunity to receive work from new customers. However, this risk is from external factors for which the employer must be responsible for delivering the construction area to the company.

However, the company has coordinated with the employer to reserve the right to extend the initial period and request approval to adjust the new construction plan. There is also communication for the public to have correct understanding and build confidence among the public that it will not cause any impact on society and the environment in order for the people to accept the project.

3. Driving business for sustainability

3.1 Sustainability management target policy

The company is committed to conducting business in conjunction with the sustainability management policy for creating sustainable value for all stakeholders based on good corporate governance. and taking into account international practices as well as maintaining balance in economics, society and the environment.

1. Committed to conducting business sustainably in every dimension, including the economic dimension, social dimension, and environmental dimension. Including promoting sustainable practices for employees and communities.
2. Comply with the scope of the law, keep commitments in applicable agreements and voluntary agreements as well as respecting international standards on human rights and labor rights.
3. Conduct business according to the principles of good governance to achieve transparency avoid corruption and promote fair behavior and have ethics

4. Evaluate and manage risks systematically through monitoring. Evaluate regularly Including arranging for inspection by internal and external agencies including the establishment of a strong internal control system.

5. Encourage discussion and engage with internal stakeholders and outside the organization through clear communication channels Including providing for the dissemination of accurate and reliable information as well as managing complaints and ask for advice.

6. Prepare the workplace to be a safe environment. and is hygienic including promoting non-discrimination, gender equality personal and development and well-being.

7. Choose technology and practices that reduce negative environmental impacts including determination to take care of every step of project development and promote environmental awareness and conservation.

3.2 Sustainable value chain

The overall process of the flow of materials, goods, and data and transactions through organizations that are deliverers, manufacturers, distributors to customers or consumers where these organizations have business relationships with together. In adapting the organization to supply chain management, the important thing is for the organization to have the ability to manage, business growth and business sustainability



Factors influencing the development and adoption of business chain management.

1. Intense Competition
2. Uncertainty
3. Mistrust
4. Lack of coordination and cooperation
5. No sharing of information

Administrative elements

Currently, business chain management is necessary for business operations in every industry. This is due to the current competitive environment that makes businesses especially concerned about reducing

operating costs and increased expenses. And the matters that need to be paid attention to and taken into account in conducting business are as follows:

3.2.1 Stakeholders

1. Shareholders/Investors
2. Employees
3. Business partner
4. Customer
5. Community
6. Government agencies

1. Shareholders/Investors

Significant issue	:	Sustainable business expansion, providing investment budget for new projects which can still maintain financial stability and make good profits.
Management guidelines	:	Seeking and co-investing with business partners with high potential to manage risks, especially in finance and selecting ways to increase capital that does not affect the ownership ratio of shareholders.
Participation channels	:	Investor relations page on the company website annual report, shareholder Meeting and analyst meeting.

2. Employees

Significant issue	:	Well-Being, occupational health and safety career growth and job Stability.
Management guidelines	:	Cultivate organizational values, build a safe and happy workplace environment, giving employees opportunities to develop their knowledge and skills, set competitive compensation and benefits, do not discriminate and treat everyone equally.
Participation channels	:	Employee engagement survey for various activities such as New Year's events and the company's annual merit-making event and general meeting for communication with employees by senior management

3. Business partner

Significant issue	:	Complying with the agreement fairly, correct trade conditions, participate in the correcting and improving the collaborative process
Management guidelines	:	Comply with trade conditions and fair dealings, correct communicate information, promote and support various activities
Participation channels	:	Communicate information, organize meetings and joint activities to exchange knowledge and strengthen relationships

4. Customer

- Significant issue** : Comply with the contract or a fair agreement, deliver efficient work as promised and continuously, providing accurate information on products and services.
- Management guidelines** : Meeting to listen the problems and complaints, support training to increase work potential for customers, off-site meetings, satisfaction survey and respond to customer needs, communicate information, organize meetings, and arrange equipment to prevent the spread of the COVID 19 situation.
- Participation channels** : Organize monthly meetings, organize recreational activities for customers, communicate information, organize meetings, and arrange equipment to prevent the spread of the COVID-19 situation.

5. Community

- Significant issue** : Support activities that are beneficial to the community, do not create negative impacts on the community and participate in solving community problems
- Management guidelines** : Meeting to listen to community opinions, chat, discuss, and visit the community, participate in activities with government agencies and the private sector in carrying out social activities.
- Participation channels** : Manage and control activities that will cause water pollution from industrial plants to nearby communities.

6. Government agencies

- Significant issue** : Participate in solving problems and conserve energy and the environment
- Management guidelines** : Organize energy conservation activities and the environment within the organization and publish publicize environmental conservation activities.
- Participation channels** : Organize joint activities with the agency

3.3 Sustainability management goals

The company is committed to operating and creating sustainable growth for the business. Under good corporate governance throughout the value chain, taking into account impacts on stakeholders, society and the environment. The company is confident that conducting business on the basis of sustainability is an important foundation that will help strengthen the organization's stable growth. The

company is also committed to operating on the basis of creating positive change for the community, the environment and the economy by operating in the appropriate direction and create benefits for all stakeholders at every level. This determination will help promote operations towards sustainability at both the company and group levels. The important points are as follows:

1. Adhere to conducting business with fairness, give importance and respect to human rights treatment of customers, business partners, and business competitors and labor like equal and fair Have responsibility towards consumers, give importance to the health and safety of employees at work, build awareness and encourage employees to care for the environment to along with the development of communities and society to have a better quality of life.

2. Focus on directors, executives, employees, and employees at all levels. Its duty is to support, promote, and operate in accordance with the sustainability development policy. Until it becomes an operating culture that takes into account the benefits balanced in economic, social and environmental aspects.

3. Build awareness and responsibility for sustainable development approaches that will ensure that the company develops the economy in line with the interests of society, the environment, and stakeholders including promoting operations. Continuously, conduct responsible operations throughout the organization's value chain. This requires directors, executives, employees, and employees at all levels and everyone. Has a duty to support, promote, and operate in accordance with this policy and practice guidelines for corporate sustainability development until it becomes a culture that takes into account the balance of the economy, society and the environment.

The company is also aware of the changing trends in the world that drive development for the future. That has led to significant changes to the utilities industry, including the push to reduce greenhouse gas emissions to enhance the ability to manage water in a complete manner. The transition to the digitalization supported by rapid technological developments It also takes into account “Creating balance” in every dimension as follows

1. **Economic dimension** : Develop a strong business ready for change, good corporate governance in accordance with the principles of good governance, consider appropriate supply chain management, participate in the development of urban communities and infrastructure that create economic activities at the community level and national level.

- o Construction business
- o Management business
- o Investment business
- o Sales business

2. **Social dimension** : Comply with regulations, laws and international agreements including respect for human rights and personal rights, treating employees fairly in hiring, build a quality society and good life through giving importance to different social landscapes.

- Human rights
- Employees
- Local community
- Philanthropy
- Strategic partnerships

3. **Environmental dimension** : Take care of natural resources and environment which is taking into account the negative environmental impacts of business operations and promote the restoration, conservation, and use of various resources with appreciation and achieve maximum efficiency.

- Waste management
- Operational eco-efficiency
- Resource management
- Local impact
- Development & conservation

3.4 Sustainability management in the social dimension

Social responsibility means carrying out activities of an organization both externally and internally that take into account the impact on the organization and the environment. Both at the near level and at the far level with the resources available in the organization that are available in the organization in order to lead to happy coexistence in society.

Activity means thinking, speaking and acting which covers policy and strategy formulation decision planning public relations media Management and operations of the organization.

Social responsibility will be consider from to stakeholders in the company, including shareholders, executives, employees, and stakeholders outside the organization. Those directly involved with the organization include customers, partners, and employees' families. The community in which the organization is located includes the environment or ecosystem. A distant society is a person who is far from the organization, such as a business competitor and general public.

3.4.1 Social responsibility

The company is committed to conducting business along with social responsibility guidelines from the design process, construction, procurement, installation, and commissioning of the system for customers. To ensure that the Company's business operations cover all stakeholders, the economy, society and the environment. with morality, ethics, and code of ethics from the beginning of operations and in

order for this social responsibility approach to be continuous and sustainable, the company is committed to making employees responsible for their actions according to the guidelines as follows:

1. Fair business operations The company is committed to promoting and supporting fair business operations by carrying out various activities to be consistent with laws, regulations and good corporate governance policies that have explained the details of operations. As for stakeholders, the company will not disclose information that will cause damage to customers, conceal and distort true information, do not seek competitors' confidential information through dishonest means, select partners and conduct procurement appropriately and encourage employees to be aware of fair competition.

Guidelines on corporate social responsibility

Governance Company means directing business to move forward efficiently with accuracy, transparency and good ethics. The main consideration is the stakeholders in the business.

Section 1 Rights of shareholders Shareholders have ownership rights, control over the company through appointing a board of directors to act on their behalf and have the right to make decisions regarding important changes to the company. Therefore, shareholders should be encouraged to exercise their rights.

Section 2: Equitable Treatment of Shareholders All shareholders, both executive and non-executive shareholders, including foreign shareholders should be treated equally and fairly. The minority shareholders whose rights have been violated should have the opportunity to receive compensation.

Section 3: The role of stakeholders Stakeholders should receive care from the company according to their rights under relevant laws. The board should consider having a process to promote cooperation between the company and stakeholders in creating wealth, financial stability and sustainability of the business.

Section 4: Information disclosure and transparency The board should ensure that important information related to the company, both financial and non-financial information, is disclosed correctly. Complete, timely, transparent through channels with easy access to information and they are equal and reliable.

Section 5 Responsibilities of the Board of Directors The board of directors are important role in governing the business for the best benefit of the company. The board is responsible to shareholders and independent from management.

2. Anti-corruption The company realizes that fraud and corruption are problems and obstacles to business operations and to encourage opposition, the company has established a written anti-fraud and corruption policy under the Business Code of Ethics which support personnel to understand and is aware of the importance of following policies and guidelines for anti-corruption. There will be regular monitoring and inspection of compliance with the policy as well as continuously reviewing practice guidelines. The company has established channels for reporting complaints, steps for checking facts for fairness and measures to appropriately protect whistleblowers.

3. Respect for human rights The company has a policy of respecting human rights to achieve equality for shareholders, investors, stakeholders and all involved parties according to human rights

principles by do not violating rights, personal freedom and do not discriminate against any one person including providing opportunities for employees, communities, society or all stakeholders to participate in reporting complaints and express various opinions If the company's operations may violate human rights.

4. Fair treatment of labor The company places importance on respecting working rights according to human rights principles and according to the basic rights to work of labor organizations. The company will not prevent or bias in hiring, not coercion, and the company respects the rights and freedom of employees to join groups to negotiate with both employers and employees. The providing protection for working conditions health and safety at work which is consistent with good corporate governance policy In addition, employees are encouraged to participate in training both with internal and external departments on a regular basis. To practice skills and increase work potential by giving employees the opportunity to learn new things to advance in work when there is an appropriate opportunity.

5. Responsibility to consumers The company is committed to developing products and services that do not cause harm to consumers and environmental impacts quality meets standards and under fair conditions Every step has safety controls and maintain customer secrets and not use them for the benefit of oneself or those involved illegally.

6. Participating in community and social development If the company's operations are related to people in the community. The company will provide information before construction begins by sending expert engineers to provide various knowledge. That involves operations with directly related communities and neighboring communities for build a common understanding of the actual benefits that will occur or the effects that may occur to the community.

7. Environmental management The company is a part in managing and controlling activities that will cause water pollution from industrial plants to nearby communities. The company will be responsible for maintaining the factory's wastewater system using biological and chemical methods. In order to eliminate contaminants in the water that occur and the company also participates in improving the quality of life of people in remote rural areas. And there is a shortage of water for consumption to return to abundance. By operating the company, it will help create a better quality of life for people in the community and nearby communities.

4. Management analysis and explanation (MD&A)

4.1 Analysis of operations and financial position, description and overview of past operating results.

Hydrotek Public Company Limited, “the Company”, operates a construction business, receive management and investment in environmental engineering which is providing services related to water systems is the main income of the business. The company is one of the leaders in providing services to large customers and can provide services to customers ranging from less complex jobs that are highly competitive to jobs that require knowledge and expertise, high level of engineering experience and

technology which has not very much competition, such as water production systems for the petrochemical industry, system for producing fresh water from seawater, wastewater treatment system and wastewater treatment systems for reuse and with more than 30 years of business experience, the company has an understanding of the nature or type of service that customers want. The company has a variety of service formats to meet the needs of customers, including:

1. Construction business
2. System operation and maintenance business
3. Sales business
4. Investment business

Operating results and profitability

Revenue

Total income of the company and subsidiaries in the accounting period of 2021 equals 270.49 million Baht, 2022 equals 130.27 million Baht and 2023 equals 74.15 million Baht, divided into construction income equal to 262.40 million Baht, 123.62 million Baht and 71.13 million Baht.

As for service income, it is 8.09 million Baht, 6.65 million Baht, and 3.02 million Baht, as shown in the table below.

Income type	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Construction income	262.40	97.01	123.61	94.90	71.13	95.93
Service income	8.09	2.99	6.65	5.10	3.02	4.07
Total	270.49	100.00	130.26	100.00	74.15	100.00
Other income	22.52		2.74		2.77	

Construction income

Year 2021, 2022, and 2023 are 262.40 million Baht, 123.62 million Baht, and 71.13 million Baht, respectively, or equivalent to 97.01 percent, 94.90 percent, and 95.93 percent of total revenue, respectively. It is a similar rate because it is the main income of the business. Income in 2023 decreased from 2022 in the amount of 52.48 million Baht or 42.46 percent. In 2022, income was recognized from 2 projects, which are continuing projects from last year. Before both projects, of which there is 1 project, the completion rate of the work is almost finished. This is the reason why construction income in the current year decreased from the income from the previous year.

Service income

Year 2021, 2022, and 2023 are 8.09 million Baht, 6.65 million Baht, and 3.02 million Baht, or equivalent to 2.99 percent, 5.10 percent, and 4.07 percent of total revenue, respectively. In 2023, service

income decreased by 3.63 million Baht or 54.59 percent due to 2022 because in 2022, the group has most of its income from construction project consulting fees whose contract expires during 2022.

Other income

Cost and gross profit (loss)

The Company and its subsidiaries, total costs in 2021, 2022, and 2023 are equal to 246.55 million Baht, 152.92 million Baht, and 80.15 million Baht, accounting for 91.15 percent, 117.40 percent, and 108.09 percent of the company's total revenue, respectively, with a gross profit ratio are 8.85 percent (17.40) percent and (8.09) percent respectively, which if considering job costs separated by type of income.

Construction costs

In the accounting periods of 2021, 2022, and 2023, it was equal to 241.03 million Baht, 150.74 million Baht, and 77.80 million Baht, respectively, or equivalent to 91.86 percent, 121.95 percent, and 109.38 percent of construction revenue. with gross profit margins equal to 8.14 percent and (21.95) percent and (9.38) percent, respectively. In 2023, there was an adjustment to the project cost estimate, causing a loss from the project. This was caused by the extension of the contract period and the amendment of the design causing fixed costs to increase and some cost estimates are lower than reality As a result, the current year's gross profit margin is negative.

Cost of service

In the accounting periods of 2021, 2022, and 2023, equal to 5.52 million Baht, 2.18 million Baht, and 2.35 million Baht, respectively, or equivalent to 68.23 percent, 32.78 percent, and 77.81 percent of the total revenue from services. The gross profit margin is 31.77 percent, 67.22 percent, and 22.19 percent, respectively. The cost of services will be in accordance with the revenue from services. and the gross profit margin decreased due to the higher cost of hiring contractors to provide services. As a result, the gross profit margin decreased.

Loss from asset impairment

The Company and its subsidiaries have a loss from impairment of assets in the fiscal year 2023, which is 11.71 million Baht. In 2021 and 2022, there is no loss from impairment of assets. As a result, the total amount increased from 2023 by 11.71 million Baht or 100 percent, which in 2023 was a recognition of loss from impairment of equipment due to the suspension of construction of some assets during the year.

Administrative expenses

The Company and its subsidiaries have administrative expenses in the fiscal years 2021, 2022, and 2023 equal to 50.76 million Baht, 51.27 million Baht, and 59.18 million Baht, representing 18.77 percent, 39.36 percent, and 79.80 percent of total income from operation. However, expenses in 2023 increased from losses from equipment impairment during the year.

Financial costs

The Company and its subsidiaries have financial costs in 2021, 2022, and 2023 equal to 14.65 million Baht, 9.50 million Baht, and 9.36 million Baht, respectively. Compared to 2022, a decrease of 0.14

million Baht or 1.47 percent was due to a decrease in interest payments on debt according to the rent assets contract.

Net profit (loss) and net profit margin

The Company and its subsidiaries have a net loss for the accounting period of 2021 equal to (20.00) million Baht, 2022 equal to (80.72) million Baht and 2023 equal to (71.71) million Baht, calculated as a net loss rate equal to (6.83) percent, (60.69) percent and (6.83) percent. 93.21) respectively. However, the loss rate increased because in 2023, the group of companies had decreased revenue recognition from 2022 because there was 1 project that was close to completion, only the system testing stage remaining to close the project. In addition, during the year, the company revised its cost estimates, causing the actual costs to be higher than the estimates the company had set. Including during the year the company has set aside allowance for impairment of equipment that is not in use. From the above reasons, the net loss rate increased.

The return on equity ratio (ROE) for 2021, 2022, and 2023 is (31.94) percent, (76.10) percent, and (129.52) percent, respectively. In 2023, ROE had a lower ratio than last year due to the negative net profit margin from the reasons mentioned above.

Asset management ability

Total assets of the company and subsidiaries as of 31 December 2021 were equal to 459.64 million Baht, as of 31 December 2022 were equal to 404.97 million Baht, and as of 31 December 2023 were equal to 369.98 million Baht. The list of important assets of the company is as follows.

- Cash and cash equivalents

At the end of 2021, the Company and its subsidiaries have cash and cash equivalents equal to 67.68 million Baht, at the end of 2022 equal to 20.85 million Baht and at the end of 2023 equal to 2.45 million Baht. In 2023, cash and cash equivalents decreased from 2022 in the amount of 18.41 million Baht or 88.30 percent. Because the company has been affected by lack of liquidity in 2023, including amendments to designs from employers, causing delays in project delivery Including higher material costs and contractor labor costs.

- Other current receivables - related persons and businesses

The Company has other current receivables - related persons and businesses at the end of 2021, 2022 and 2023 in the amount totaling 0.04 million Baht, 4.71 million Baht, and 7.17 million Baht, respectively. In 2023, an increase from 2022 of 2.46 million Baht, or 52.23 percent, because the company paid expenses on behalf of the joint venture in terms of material costs, construction and contractor wages due to lack of liquidity due to the employer's disbursement of money not being in accordance with the plans of the joint venture during the year.

- Trade receivables and other current receivables - other businesses

The Company and its subsidiaries have trade receivables and other current receivables - other businesses at the end of 2021, 2022, and 2023 in the amount of 105.82 million Baht, 100.78 million Baht, and 103.17 million Baht. The division of trade receivables and other current receivables is as follows:

Trade receivables in 2021 were 1.61 million Baht, in 2022, there was no current trade receivables and in 2023 were 4.06 million Baht. Trade receivables in 2023 increased from 2022 in the amount of 4.06 million Baht or 100.00 percent because the group of companies had collected construction fees and service fees from the employer at the end of 2023, which has not yet been due for collection. As for the quality of trade receivables from aging of outstanding debts in 2023, 35.79 percent are trade receivables that are 1-30 days past due and 64.21 percent are trade receivables that are more than 12 months old and have set up an allowance for debt. I doubt the whole amount will be lost. The company has criteria for setting allowance for doubtful accounts when trade receivables are overdue for more than 1 year and are expected to be uncollectible.

For trade receivable turnover rates in 2021, 2022, and 2023, the rates were 33.23 times, 161.60 times, and 36.53 times, respectively, and had an average debt collection period of 11 days, 3 days, and 10 days, respectively, because the main debtors of the business are Government agencies with a payment cycle of approximately 15 business days.

Other current receivables consist of deposits for goods, advance payments to subcontractors, cheque received in advance, other receivables including advance payment, prepaid expense and debtors from the Revenue Department which in 2023 the company and its subsidiaries have other current receivables of 137.14 million Baht, consisting of deposits for goods of 79.81 million Baht and advance payments to subcontractors of 15.14 million Baht and other receivables of 42.19 million Baht. Other current receivables decreased from 2022 from advance payments and deposits to Contractor As a result, other current receivables decreased by 1.44 million Baht or 1.04 percent.

- **Assets arising from contracts**

Refers to work that has been completed according to the construction contract but has not yet been delivered. The company and its subsidiaries have contract assets at the end of 2021, 2022, and 2023 in the amount of 69.92 million Baht, 86.40 million Baht, and 89.72 million Baht, respectively, or as a proportion to total assets equal to 15.21 percent, 21.34 percent, and 24.25 percent, respectively. There is an increase in contract assets in 2023 compared to 2022 in the amount of 3.32 million Baht or 3.84 percent due to work being completed within 2023 but invoices not yet issued.

- **Inventories and construction materials**

At the end of 2021, 2022 and 2023 the Company and its subsidiaries have inventories and construction materials equal to 15.92 million Baht, 29.11 million Baht, and 29.05 million Baht, or equivalent to 3.46 percent, 7.19 percent, and 7.85 percent of total assets to be used for construction projects of the group of companies.

- **Non-current financial assets**

At the end of 2021, 2022, and 2023, the company had bank deposits that were collateralized at 19.13 million Baht, 4.20 million Baht, and 0.32 million Baht, or equivalent to 4.16 percent, 1.04 percent, and 0.09 percent of total assets, decreasing from 2022. The amount of 3.88 million Baht, or 92.37 percent, is due to the company redeeming the encumbered deposits in 2023.

- **Equipment**

At the end of 2021, 2022 and 2023, the Company and its subsidiaries have equipment items in the amount of 21.94 million Baht, 21.49 million Baht, and equal to 6.86 million Baht, or 4.77 percent, 5.31 percent, and 1.85 percent of total assets. In 2023, assets decreased by 14.63 million Baht or 68.08 percent due to amortise depreciation according to the company's policy. In 2023, the company have set aside an allowance for equipment impairment of 11.71 million Baht.

From the above asset management, the company and its subsidiaries have a rate of return on assets in 2021, 2022, and 2023 which is (4.51) percent, (18.67) percent, and (18.51) percent, respectively, and there is a rate of return on fixed assets in 2021, 2022, and 2023 are (14.31) percent, (57.25) percent and (54.70) percent, respectively. The asset turnover rates for 2021, 2022, and 2023 are 0.61 times, 0.30 times, and 0.19 times, respectively.

Liquidity and adequacy of capital

The company has sources of funds from debt and shareholders' equity as follows:

- **Liabilities and shareholders' equity**

Liabilities as of 31 December 2021, the company and its subsidiaries had total liabilities equal to 337.80 million Baht, as of 31 December 2022 equal to 314.67 million Baht, and as of 31 December 2023 equal to 349.53 million Baht, while having shareholders' equity of 121.54 million Baht 90.29 million Baht and 20.44 million Baht, respectively. The list of important liabilities of the company is as follows:

- **Trade payables and other current payables - other businesses**

The Company and its subsidiaries have trade payables and other current payables - other businesses at the end of 2021 equal to 120.22 million Baht, 2022 equal to 122.27 million Baht and 2023 equal to 158.27 million Baht, or equivalent to 26.16 percent, 30.19 percent, and 42.78 percent of total assets, respectively, with the list of trade payables and other current payables as follows:

Trade payables in 2021, 2022, and 2023 were 38.57 million Baht, 26.21 million Baht, and 24.28 million Baht, respectively. Trade payables in 2023 decreased from 2022 in the amount of 1.93 million Baht or 7.36 percent. This is because there are construction projects nearing completion and during the year, the company lacked working liquidity. As a result, purchases decreased from the previous year.

The trade payable turnover rate in 2021, 2022, and 2023 is 4.75 times and 4.72 times, 3.18 times, respectively, with repayment periods of 77 days, 78 days, and 115 days, respectively.

Other current payables including retention creditors, money received in advance, prepaid check, accrued interest and others account payable. As of 31 December 2023, the company and its subsidiaries have other current current payables totaled 134.00 million Baht, including performance retention creditors of 13.48 million Baht, prepaid checks of 9.66 million Baht, accrued interest of 73.02 million Baht, and other account payable of 37.85 million Baht. As compared to 2022, other current account payable increased by 37.94 million Baht due to the estimation of debt prepaid checks and accrued interest at the end of 2023 increased.

- **Liabilities arising from contracts**

is construction income received in advance revenue from services received in advance and advances received from construction contracts. The company and its subsidiaries have contractual liabilities in 2021, 2022, and 2023 equal to 62.91 million Baht, 42.24 million Baht, and 25.92 million Baht, respectively. The contractual liabilities in 2023 compared to 2022 decreased by 16.36 million Baht or 38.64 percent due to 2023 The Group has 1 project that is close to completion, causing the recognition of construction income to decrease.

- **Short-term loans from related persons and businesses**

During 2023, the Company had short-term loans from related persons and businesses in the amount of 11.95 million Baht to be used as working capital during the year of the company.

- **Long-term loans - other businesses**

As of 31 December 2021, 2022 and 2023, the company had long-term loans - other businesses in the amount of 125.64 million Baht. The entire amount is a loan from YUNNAN WATER (HONG KONG) COMPANY LIMITED, a company established in Hong Kong. To be used for the construction of a water production project in Chiang Mai Province with an interest rate of 6.75 percent per year. The principal is due to be repaid every year for a period of 5 years from the date of first earning income from selling tap water. In addition, the loan agreement also gives YUNNAN WATER (HONG KONG) COMPANY LIMITED the right to choose to convert the loan to investment in Hydrotek Utility Company Limited, a company that will provide water management services when the project is completed.

- **Liabilities under lease agreements**

Liabilities under the lease contract in 2021, 2022, and 2023 amounted to 8.67 million Baht, 6.18 million Baht, and 4.41 million Baht, respectively. Liabilities under the lease contract in 2023 decreased from 2022 in the amount of 1.77 million Baht, or 28.64 percent, because there were projects whose work was close to completion in 2024 allows the company to reduce the number of months needed to extend the rental building at the project on a short-term basis and vehicles that are due within 1 year, causing the debt under the lease contract to decrease.

- **Long-term loans from financial institutions**

In 2023, the company had a long-term loan from a financial institution in the amount of 4.59 million Baht because the financial institution paid the debt from guaranteeing the advance payment of an employer. The company paid the loan to the financial institution for a period of time 3 years.

- **Employee benefit obligations**

Employee benefit obligations at the end of 2021, 2022, and 2023 amounted to 4.40 million Baht, 4.07 million Baht, and 2.70 million Baht, respectively. Employee benefit obligations in 2023 decreased from 2022 in the amount of 1.37 million Baht, representing 33.67 percent, due to the year 2022 and during 2023, there will be executives and employees resigning, causing employee benefit obligations to decrease.

Shareholder's equity

The shareholders' equity of the parent company at the end of 2021, 2022, and 2023 is 121.54 million Baht, 90.29 million Baht, and 20.44 million Baht, respectively, or as a proportion to total assets equal to 26.44 percent, 22.30 percent, and 5.53 percent, respectively. Shareholders in 2023 decreased from 2022 by 69.85 million Baht due to operating losses in 2023.

The proportion of the company's capital structure from debt to equity ratio in 2021, 2022, and 2023 is 2.78 times, 3.49 times, and 17.10 times, respectively. The ratio will increase in 2023 due to operating losses in 2023.

Liability obligations and off-balance sheet management

As of December 31, 2023, the company has the following obligations:

(Unit: million baht)

Obligation	Total	Payment period		
		less than 1 year	1-5 years	more than 5 years
1. Long-term debt obligations - other businesses	125.64	125.64		-
2. Operating lease obligations	6.48	1.61	0.77	4.10
3. Obligations under construction contracts	139.95	139.95	-	-
4. Guarantee obligations	177.69	177.69	-	-
Total	449.76	444.89	0.77	4.10

1. Long-term debt obligations - other businesses loans from YUNNAN WATER (HONG KONG) COMPANY LIMITED, a company incorporated in Hong Kong. To be used for the construction of a water production project in Chiang Mai Province with an interest rate of 6.75 percent per year. The principal is due to be repaid every year for a period of 5 years from the date of first earning income from selling tap water. In addition, the loan agreement also gives YUNNAN WATER (HONG KONG) COMPANY LIMITED the right to choose to convert the loan to investment in Hydrotek Utility Company Limited, a company that will provide water management services. When the project is completed.

2. Operating lease obligations include office building lease agreements, service contracts, car lease agreements, and office equipment rental contracts.

3. Obligations under construction contracts are contracts to hire contractors for all construction projects which have a value of according to the contract, 548.42 million Baht is a total expense of 406.86 million Baht and the remaining 141.56 million Baht will be an expense in the following year.

4. Guarantee obligations are letters of guarantee issued by financial institutions for bidding guarantee of advance payment guarantees of contract performance Performance guarantees and product purchase credit guarantees

Factors affecting future operating results

From the company's vision to be a leading environmental engineering company in the ASEAN region. The company is committed to provide a complete service from design, procurement, construction, installation and operation of the system to ensure quality and efficiency. There is effective cost management and control and promote continuous and consistent development of personnel and technology In order to expand the business to be stable and sustainable. However, due to the operating results not being as targeted. Factors that may affect the Company's future operating results are:

1. Risk from construction project implementation being delayed beyond schedule

Problems with delays in operations may be caused by both from the employer contractors and external factors that cannot be controlled. The company is aware of such problems. Therefore, a clear policy has been established regarding the organization of the operating system and ways to prevent risks by planning work and scheduling work according to the Critical Path Method principles, there is a quarterly meeting to propose work plans for construction projects in advance and setting guidelines for risk management from events that may cause work delays. In addition, the company has cooperated and coordinated with relevant parties to expedite problem solving so that work can be completed within the contract period or as specified.

2. Risk from fluctuations in the prices of construction materials and equipment

The company's environmental engineering construction contracting business Companies need to have measures in place to determine maintain the price of materials and equipment used in construction throughout the operating period.

However, the company is aware of the risks that may arise from fluctuations in construction material prices. Therefore, policies have been established to prevent and reduce risks that may occur by estimating construction costs from the construction plans received to calculate the quantity and value of construction materials for that project and control construction costs within the specified budget

3. Risks related to subcontractor operations

Risk from the company being unable to find contractors to carry out the work due to various problems This may be caused by a lack of Contractor Clan Contractors lack labor. There are few contractors. There is also a risk arising from the contractor being unable to carry out the work as planned due to various problems, such as the contractor lacking financial liquidity. Risk from late delivery of work This may cause construction work to be halted, causing the company to not deliver the work to the customer on time.

However, before hiring a subcontractor, the company selects reliable contractors and the quality of the subcontractor's work is inspected before entering into the contract. If the company later finds out that the contractor lacks liquidity and cannot deliver the work as planned, will consider reducing the value of the work in the contract with the original contractor. and find new contractors to reduce such risks.

The company also conducts business by building good relationships with subcontractors bulid familiarity with working together which makes subcontractors become business partners with the company

who are ready to accept further work continuously. The company is also recruiting new subcontractors. To support the amount of work that will increase in the future.

4. Risk from project commitments after delivery of work

The company provides complete water-related environmental engineering services from design, construction, procurement, installation and commissioning of the system and wastewater treatment. The contract will specify that the company will be responsible for the damages. Damage and defects that may occur after the work is delivered to the employer for a period of approximately 1 - 2 years. Therefore, the company may be exposed to risk from obligations during that period.

5. Financial liquidity risk

Customers include both government agencies that have already received budget approval from the government. But there may be some delays in disbursement. and private agencies If you encounter a lack of financial liquidity, it may affect your ability to pay services to the company.

The company is aware of such risks and has therefore established guidelines for preventing risks that may occur. By setting policies before accepting work By carefully considering and selecting employers. By considering various information of the employer Especially financial information Performance The reliability and stability of the employer's business. In addition, if the work is abroad The company will select employers who are government agencies that will be stable.

6. Risk from investing in water production and wastewater treatment projects

Currently, the company has expanded its business operations to investing in water production and wastewater treatment projects for government agencies and private sectors in various industrial sectors. Accepting such work is accepting work from the employer in such a way that the company is responsible for all expenses incurred from investment and project management. The period is approximately 10 - 30 years, which may cause the company to be affected by risks that may arise from the employer not paying service fees to the company. Due to lack of financial liquidity or the employer's bankruptcy before the contract period ends.

The company has established a policy to prevent such risks. Before accepting a job or bidding for a job, the company will consider selecting employers based on their financial status. Trustworthiness of executives along with the profit rate according to the specified policy, the company has also expanded its customer base to government agencies in order to prevent the risk of not receiving payment for services.

5. General information and other important information

5.1 General information

1. Name of company issuing securities	:	Hydrotek Public Company Limited
Name of issuing company	:	Hydrotek Public Company Limited
Company registration number	:	0107554000097
Registered capital	:	675,838,592 Baht consisting of common shares 675,838,592 shares
Paid-up capital	:	311,925,504 Baht consisting of common shares 311,925,504 shares as at 31 December 2023
Par value per share	:	1 Baht per share
Business type	:	Construction, management and investment in environmental engineering work as follows: <ol style="list-style-type: none">1. Contracting for construction of basic infrastructure projects with the public and private sectors2. Providing water system management services Both bile and wastewater systems3. Investment in water production and wastewater treatment projects
Office location	:	1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict Chatuchak District, Bangkok 10900,Thailand
Telephone no.	:	(66) 2-936-1661-2
Fax no.	:	(66) 2-936-1669
Website	:	www.hydrotek.co.th

The company's services can be divided into 4 products:

1. Water Treatment Plant includes tap water production, fresh water production from seawater and the production of pure or demineralized water for use in industrial plants.
2. Wastewater Treatment Plant and Wastewater Recycle Plant

3. Solid Waste Treatment Plant is the process of taking waste to landfill for decomposition to produce methane gas. Then use it to produce energy as fuel.

4. Waste to Energy is the use of wastewater with high COD (Chemical Oxygen Demand) values from industrial plants. Goes through the production process to get biogas and methane gas. then used as fuel energy

2. Subsidiary company

Company name in Thai	:	บริษัท ไฮโดรเทค ยูทิลิตี้ จำกัด
Company name in English	:	Hydrotek Utility Company Limited
Registered capital	:	0105558006250
Registered capital	:	1,000,000.00 Baht
Business type	:	Construction of water and oil and gas infrastructure projects
Office location	:	1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict Chatuchak District, Bangkok 10900
Telephone no.	:	(66) 2-936-1661-2
Fax no.	:	(66) 2-936-1669
Website	:	www.hydrotek.co.th

3. Companies that perform joint duties (Joint Venture)

Company name in Thai	:	กิจการร่วมค้า สหไฮโดร
Company name in English	:	SAHAHYDRO JOINT VENTURE

The joint venture has a percentage of shareholding

“Joint Venture” The shareholding proportion is as follows:

Hydrotek	hold proportion	51%
Sahakarn	hold proportion	49%

Duties and responsibilities “Hydrotech” and “Sahakarn” will perform joint duties as contractors for the project as specified in the contract between the project owner and "Saha Hydro Joint Venture" and have joint responsibility to " Provincial Waterworks Authority " in proportion to their shareholding.

Office location	:	1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict Chatuchak District, Bangkok 10900
Telephone no.	:	(66) 2-936-1661-2
Fax no.	:	(66) 2-936-1669

Company name in Thai : กิจการร่วมค้า สหไฮโดร ปทุมธานี 2
Company name in English : SAHAHYDRO PATHUMTHANI 2 JOINT VENTURE

The joint venture has a percentage of shareholding

“Joint Venture” The shareholding proportion is as follows:

Hydrotek	hold proportion	51%
Sahakarn	hold proportion	49%

Duties and responsibilities “Hydrotech” and “Sahakarn” will perform joint duties as contractors for the project as specified in the contract between the project owner and " SAHAHYDRO PATHUMTHANI 2 Joint Venture" and have joint responsibility to "Metropolitan Waterworks Authority" in proportion to their shareholding.

Office location : 8, Soi Sukhaphiban 5, Soi 32, Tha Raeng Subdistrict, Bang
Khen District, Bangkok 10220
Telephone no. : (66) 2-022-7777
Fax no. : (66) 2-022-7755

Company name in Thai : กิจการร่วมค้า ไฮโดร – รินทรัพย์รัตน์
Company name in English : HYDRO – RINRAT JOINT VENTURE

The joint venture has a percentage of shareholding

“Joint Venture” The shareholding proportion is as follows:

Hydrotek	hold proportion	75%
Rinrat Limited Partnership	hold proportion	25%

Duties and Responsibilities “Hydrotech” or Rinrat Limited Partnership agrees to be a subcontractor in a construction project. Construction, improvement, and expansion of the Provincial Waterworks Authority, Rangsit branch. Thanyaburi-Lam Luk Ka-Khlong Luang District, Pathum Thani Province

Office location : 1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19,
Chatuchak Subdistrict Chatuchak District, Bangkok 10900
Telephone no. : (66) 2-936-1661-2
Fax no. : (66) 2-936-1669

Company name in Thai : กิจการร่วมค้า ไฮโดรเทค – ชัยสฤกษ์
Company name in English : HYDROTEK – CHAISARIT JOINT VENTURE

The joint venture has a percentage of shareholding

“Joint Venture” The shareholding proportion is as follows:

Hydrotek	hold proportion	50%
Chaisarit	hold proportion	50%

Duties and Responsibilities “Hydrotek” and “Chaisarit” will act together as contractors for this project. and have shared responsibility for “Building and Premises Division Naresuan University, Phitsanulok” according to the proportion of shareholding.

Office location	:	1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict Chatuchak District, Bangkok 10900
Telephone no.	:	(66) 2-936-1661-2
Fax no.	:	(66) 2-936-1669

4. Securities Registrar

Company name	:	Thailand Securities Depository Company Limited
Office location	:	Capital Market Science Institute Building, Stock Exchange of Thailand 2/1 Village No. 4 (North Park Project), Vibhavadi Rangsit Road, Km. 27, Thung Song Hong Subdistrict, Lak Si District, Bangkok 10210
Telephone no.	:	02-596-9000
Fax no.	:	02-832-4994-5

Company name	:	Stock Exchange of Thailand
Office location	:	93 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok 10400
Telephone no.	:	02-009-9000
Fax no.	:	02-009-9991

5. Auditor

Company name	:	AMC Office Company Limited
Office location	:	19th Floor, Unit 4, Silom Complex Building, 191 Silom Road, Silom Subdistrict, Bangrak, Bangkok 10500
Auditor	:	Mr. Naris Saowalagsakul Certified Public Accountant, Registration Number 5369
Telephone no.	:	02-231-3980
Fax no.	:	02-231-3988

6. Internal auditor

Company name	:	I.A.P. Internal Audit Company Limited
Office location	:	976/10 Soi Saeng Chaem, Rama 9 Road, Bang Kapi Subdistrict, Huai Khwang District, Bangkok 10310
Internal auditor	:	Mr. Wattana Channakin

Telephone no. : 02-408-4366

Fax no. : 02-408-4367

7. Legal advisor : Mr. Natthawat Ketumunin

Office location : 1362 Soi Sena Villa Village Happyland Road, Khlong Chan,
Bang Kapi District, Bangkok 10240

8. Contact channels for inquiries/investor relations channels

Company name : Hydrotek Public Company Limited

Office location : 1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19,
Chatuchak Subdistrict Chatuchak District, Bangkok 10900

Telephone no. : (66) 2-936-1661-2

Fax no. : (66) 2-936-1669

Website : www.hydrotek.co.th

Mail : IR@hydrotek.co.th

9. Complaint channel/Whistle reporting channel

Company name : Hydrotek Public Company Limited

Office location : 1 TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19,
Chatuchak Subdistrict Chatuchak District, Bangkok 10900

Telephone no. : (66) 2-936-1661-2

Fax no. : (66) 2-936-1669

Website : www.hydrotek.co.th

Note : Investors can study additional information about the company from the annual information statement (Form 56-1) of the company shown in www.sec.or.th or the company's website www.hydrotek.co.th

5.2 Other important information that affects investors' decisions

-N/A-

5.3 Legal disputes

Legal disputes

1. Cases presenting disputes to the Arbitration Institute Black Number Dispute No. 86/2020

The company submits a dispute proposal and resolves the dispute proposal to the Arbitration Institute. To request the Arbitration Institute to issue an award requiring the Pa Sang Subdistrict Municipality to compensate for damages resulting from the termination of the contract for the construction of a wastewater collection and treatment system. Calculate the total amount 25,648,264.58 baht with interest at 7.5 percent per year on the principal amount.

After the lawsuit, the arbitral tribunal ruled that the facts and evidence do not show that any party breached the contract. But the contract was dissolved by default because of external reasons. The company must return the money to the Pa Sang Municipality after setting off the debt in the amount of 6,032,226.00 baht with interest of 7.5 percent per year from the date of submitting the claim until the payment is completed.

The Company does not agree with the said decision, therefore submitted a request to revoke the arbitral award to the Central Administrative Court. And the Pa Sang Subdistrict Municipality also disagrees with the award and has filed a request to revoke the award as well. Later, the Central Administrative Court ordered to combine these two cases.

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

2. Administrative cases, Supreme Administrative Court Black case No. A.471/2021

On November 7, 2016, the company filed a lawsuit with the Central Administrative Court to demand payment for construction of the wastewater collection and treatment system, Phase 3, Tak Municipality. Mueang Tak District Including all damages plus interest calculated until the filing date. is the total amount 63,805,606.78 Baht.

On July 22, 2021, the Central Administrative Court ruled in favour of the Company. Pay a fine to Tak Municipality in the amount of 23,860,654.19 baht, along with interest of 7.5 percent per year on the principal of the said amount. From the date of filing the counterclaim onwards until payment is completed.

On August 20, 2021, the Company filed an appeal with the Supreme Administrative Court. The same is true of Tak Municipality.

This case is currently being considered by the Supreme Administrative Court.

3. Civil case, Civil Court, black case No. P.1435/2021

On March 22, 2021, the Company was sued in a lawsuit regarding breach of contract to hire consultants for targeted procurement projects related to water supply systems and utility projects related to water management both domestically and internationally with the Company. A private company, amount 2,619,346.91 Baht.

On November 7, 2022, the Civil Court ordered the company to pay 420,000 baht plus interest to the company. Disagree with the said decision Therefore filed an appeal to challenge the decision and judgment to the Court of Appeal.

The case is currently being considered by the Court of Appeal.

4. Civil case, Civil Court, black case No. P.5945/2565, P.E11/2566

On November 29, 2022, the Company filed a complaint with the Civil Court requesting the dissolution of an unregistered general partnership and requesting the appointment of the Company and its subsidiaries as liquidators. Including filing a lawsuit to revoke the compromise contract and demanding a deposit for the product due to the defendant's breach of contract, amounting to 14,686,000 baht.

On January 6, 2023, the defendant filed a lawsuit against the company for breach of the reconciliation agreement and asked the company to repay the principal amount. 125,644,786.50 baht including interest The Civil Court has combined the two trials together.

Currently, the case is under consideration by the Civil Court.

5. Criminal corruption case, Criminal Court, black case No. A.T.133, 140/2565

On November 30, 2022, the company and former company directors was sued as a co-defendant To be jointly liable along with the employee for the charge of supporting the official to commit an offense against his or her official position according to the Criminal Code. From entering into a water purchase contract with a sub-district municipality in Chiang Mai province in 2012, the company had no intention of supporting officials to commit crimes under criminal law. Entering into a water purchase contract is a common method in commercial business.

The case is currently being considered by the Criminal Corruption and Misconduct Court Region 5.

Even at present, the above cases cannot be predicted. However, the company believes that these cases will not have any impact on the assets of the company or its subsidiaries. and does not affect the financial position or operating results of the company in any way.

Part 2

Corporate Governance

Part 2 Corporate Governance

6. Corporate Governance Policy

corporate governance

The company places importance on having an efficient, transparent, and auditable management system in order to build trust and confidence among shareholders, investors, and stakeholders. and all involved parties To promote the company towards stability and progress and drive sustainable growth.

The Board of Directors understands its role. Duties and responsibilities of the board of directors towards the company and shareholders and has approved the corporate governance policy in writing. In addition, the company Has reviewed the Corporate Governance Policy with reference to the principles of good corporate governance for listed companies 2012 of the Stock Exchange of Thailand. (“Stock Exchange”) and Good Corporate Governance Principles for Listed Companies 2017 (“CG Code”) according to the guidelines of the Securities and Exchange Commission (“SEC”), which the Company has adopted the principles. Most of them came to adapt and present to the committee for acknowledgment of the principles. At the Board of Directors' meeting No. 14/2018 on 12 November 2018 and 31 December 2018, the company is considering and improving its corporate governance policy to be in line with the CG Code. The company's corporate governance policy It is a guideline for practice. Which has important information divided into 5 categories as follows:

6.1 Overview of corporate governance policies and practices

Section 1: Rights of Shareholders

Shareholder rights cover various basic rights. of shareholders, such as the right to buy, sell, transfer the securities they hold, the right to receive a share of profits from the company The right to receive adequate business information. The right to attend meetings to exercise voting rights at shareholder meetings to appoint or remove directors. Appoint an auditor and matters affecting the company such as dividend allocation Determination or amendment of regulations and memorandum of association. Capital reduction or capital increase and approval of special items, etc.

In addition to the basic rights above, the company has a policy to proceed in various matters. that is promoting and facilitate the exercise of shareholders' rights as follows:

- 1) In the event that a shareholder is unable to attend the meeting in person, the company will provide an opportunity for the shareholder to appoint a proxy. for independent directors or any person Can attend the meeting on your behalf By using one of the proxy forms that the company It was sent together with the meeting invitation letter.
- 2) Provide opportunities for shareholders to submit comments, suggestions, and submit questions related to the meeting agenda in advance of the shareholder meeting date

- 3) Encouraging shareholders to use a form of proxy that allows shareholders to determine the direction of voting and nominate at least 1 independent director as an alternative for shareholders' proxy.
- 4) In meetings, the company will allocate time appropriately. and encourage shareholders to have the opportunity to express their opinions make suggestions or ask questions to the meeting on matters related to the company. before voting on any agenda. In the shareholder meeting, the Company will provide sufficient detailed information on the matter to the shareholders.
- 5) Promoting the use of ballots in meeting agendas. Important shareholders such as related transactions Making transactions on the acquisition or disposal of assets, etc., for transparency and verification in the event of disputes later.
- 6) All directors will attend the meeting except in cases of necessity. So that shareholders can ask questions about can be related

Section 2: Equitable Treatment of Shareholders

The Company has a policy of treating and protecting the rights of all shareholders equally in order to create

Tools that help create true equality Especially for minority shareholders

- 1) Publish information supporting the shareholders' meeting agenda in advance on the company's website. before sending documents and notifying various rules used in meetings Rights of shareholders to attend meetings and shareholders' voting rights in advance
- 2) Treating and facilitating shareholders equally and do not do anything which is limiting or violate or deprive shareholders of their rights.
- 3) Designating independent directors to be responsible for taking care of minority shareholders. Minority shareholders can suggest opinions or complaints to the independent directors. The independent directors will consider taking appropriate action in each matter. For example, if it is a complaint The independent directors will carry out the investigation. and find appropriate remedies Or in the case of a suggestion that the independent directors have considered and are of the opinion that it is important that it affects the overall stakeholders or affects the business operations of the company. The independent directors will propose such matters to the shareholders' meeting for consideration and setting the agenda for the shareholders' meeting.
- 4) Promoting the exercise of rights, such as giving minority shareholders the opportunity to propose matters to be included in the agenda for the Annual General Meeting of Shareholders. and nominate persons considered appropriate to be considered for election as company directors. in advance of the date of the general meeting of shareholders, along with information for considering the qualifications and consent of the nominees.

- 5) Shareholders who are executives will not unnecessarily add agenda items that have not been notified in advance, especially agenda items. It is important that shareholders take time to study information before making a decision.
- 6) Establishing measures to prevent the wrongful use of inside information (Insider Trading) by related persons, including directors and executives of the Company. related to information (including the spouse and minor children of such person)
- 7) Give shareholders an opportunity to exercise their rights in appointing individual directors.
- 8) Establishing written guidelines for preserving and preventing the use of inside information. and inform guidelines. This is for everyone in the organization to adhere to. and require all directors and executives who are responsible for reporting their securities holdings according to law to submit such reports to the board on a regular basis.

Section 3: Roles of Stakeholders

The company places importance on conducting business in a comprehensive manner for all stakeholders. in order to achieve sustainable mutual benefits The Board of Directors oversees the management system. To build confidence that stakeholders must receive various rights. As required by law and such rights must be treated equally. Stakeholders can participate in expressing their opinions. Making decisions or taking action on matters that affect a group of stakeholders. and have the right to complain to the company. The company is therefore more aware and gives importance to stakeholders. The company has therefore developed policies and guidelines for dealing with stakeholders. For personnel in the company to have guidelines for stakeholders as follows:

1) Shareholders

The Company's operations Give importance to creating maximum benefit and adding value to long-term shareholders The guidelines for practice are as follows:

- Manage the organization in accordance with the principles of good corporate governance. By managing with honesty and
Free from conflicts of personal interests To create maximum returns for shareholders
- Provide various details that are appropriately related to the shareholder meeting By giving shareholders time to decide.
adequately
- Arrange for independent directors to take care of and receive complaints or suggestions. from small shareholders through
Convenient and quick access channels
- Set internal control measures internal audit and effective risk management
- Disclose important information of the company financial report and operating results correctly and completely

Timely and transparent and reliable To keep shareholders informed of the company's operating status on a regular basis

2) Employees

The company places importance on employees, who are valuable resources of the company. Because employees are the drivers of run your business to be stable. Therefore, the treatment of employees is fair and based on human rights principles. So that employees and the company have good relationships with each other. In addition, the company Also takes into account the needs of employees and promote continuous development of work potential The guidelines for practice are as follows:

- The company treats employees equally without taking into account differences in race, skin color, gender, religion, nationality.

Age or language is a factor in considering or deciding employment. It also provides employment opportunities for people with disabilities to provide equal opportunity

- The company places importance on treating employees fairly by respecting personal freedom and express the opinions of employees freely
- Develop employees' work skills to be appropriate for their duties and responsibilities to increase knowledge, ability and efficiency in working for the company's employees.
- Promote knowledge of working together within the organization to create unity and discipline among employees in the organization. Working together as a team
- Manage within the organization a safety and occupational health management system in accordance with international standards in order to work is safe and hygienic. According to the company's operational safety manual.
- The company has policies and guidelines regarding compensation and benefits by using the results of the performance evaluation of employees are a measure of compensation adjustment to be an incentive to develop work potential and increase the company's profitability with reference to industry conditions for fairness and compliance with labor laws and provide various welfare and benefits that are appropriate both in the short and long term, such as setting up a provident fund and group insurance, etc. However, the determination of employee compensation policy It will be determined by considering consistency with the company's performance and sustainability.
- Promote a warm working environment together. along with promoting employees to feel Be part of the company to reduce the turnover rate of the company's employees.

3) Customer

The company has an operating policy to provide comprehensive services to customers from design, procurement, construction, installation and operate the system with an emphasis on international quality and efficiency in use for maximum benefit. It also aims to maintain good relationships with customers through good and impressive after-sales service. The guidelines for practice are as follows:

- Deliver work on time and meet customer needs.

- Build customer confidence by having an experienced team with high levels of engineering expertise increase more
- Determine the price of the hired work by referring to the cost value of construction work, service work and costs are estimated at a fair rate.
- The company emphasizes on maintaining good quality and construction standards for an efficient work system and create customer satisfaction and focus on providing good and impressive after-sales consulting services to customers to create good relationships with customers
- Develop technology used in operations regularly

4) Partners

The company adheres to the framework of honest trade competition. and strictly adhere to the promises made to trading partners, with Guidelines for practice as follows:

- Consider the purchase price and procurement price that are appropriate and fair taking into account the reasonableness of the price, quality and service received from partners.
- The company conducts business in a sustainable and transparent manner by following the trade conditions and contracts set forth and having fairness to those involved
- Do not disclose partner information to others. unless consent is received from the trading partner

5) Competitors

The company conducts business with a policy of treating competitors fairly in accordance with the framework of honest trade competition. The guidelines for practice are as follows:

- The company has two channels for providing services: participating in job bidding and contact through direct hire, which the company has operated under the rules of good competition, ethics, transparency, including not taking advantage of competitors by illegal means.
- The company does not seek confidential information of competitors through dishonest means.
- The company does not destroy the reputation of competitors. without real information.

6) Creditors

The company has a policy to comply with the loan conditions according to the agreement and duties that should be towards officials based on equality, fairness and transparency in practice. There are guidelines for practice as follows:

- Prepare contracts with creditors in accordance with the law in all respects to achieve equality and transparency
- Do not commit corruption conceal information or facts which causes damage to creditors.
- Repay the principal plus interest to creditors in full and on time

7) Society and community

The company is conscious and aware of being a part of society which is responsible for helping society and supporting public benefit activities for the community as well as develop the environment of the community and society for a better life because the company has operated a design business and construction of wastewater collection and treatment systems as well as water production systems for private companies and various government agencies to help reduce the release of wastewater into water sources. and management of water resources, which is a valuable resource of the country, the company therefore aims to support various activities that helps improve the quality of life of people in society the guidelines for practice are as follows:

- Be a part of creating awareness of society's responsibility in maintaining water quality and using water resources wisely.
- Promote and support activities in developing the water supply system to the community to provide the community with clean tap water for consumption.
- Encourage meetings to exchange ideas. and provide knowledge in the company have experience and expertise to develop the well-being of the communities in which the company operates go into action

8) Policy on conducting business under environmental standards

The company is aware of the importance of environmental protection. Therefore, environmental policies have been established in parallel with the Company's business operations. The guidelines for practice are as follows:

- Arrange project management with environmental considerations in mind. and regularly follow up on the results of operations in order to not to affect the living conditions of people in the surrounding communities.
- Promote environmental knowledge and understanding among employees by educating and campaigning through boards public relations and/or circular letters within the company.
- Promote efficient use of resources Taking into account energy saving and resources are brought Re-use
- Be a part of society by using your expertise. and the company's technology in implementing projects to develop water quality and quality of life for people in the community.

9) Policy not to be involved in human rights violations

The Company has established a policy to ensure that personnel are not involved in human rights violations. to achieve equality both with shareholders, investors, and stakeholders and all involved parties according to human rights principles It will not violate personal rights and freedoms do not discriminate against any one person.

10) Policy not to be involved in infringement of intellectual property rights. or copyright

The company has established policies and guidelines to ensure that personnel do not engage in infringement of intellectual property rights. or copyright Do not use unauthorized, illegal software or copy copyrighted software.

11) Anti-corruption policy and practice guidelines And do not pay bribes for business benefits.

The company has an anti-fraud and corruption policy. Directors, executives, and employees are prohibited from supporting fraud and corruption and to regularly follow up and inspect compliance with the anti-fraud and corruption policy as well as reviewing the practice guidelines to be consistent with business changes. The guidelines for practice are as follows:

- o Directors, executives, and employees must comply with the anti-corruption policy and must Realize that corruption is inappropriate according to business ethics.
- o The company encourages personnel to have knowledge about fraud and corruption to carry out work with honesty and integrity and prevent wrongdoing from occurring Through communication/public relations/circular letters
- o The company has appropriate and regular internal audits and controls to prevent the performance of its duties inappropriate employees
- o The company reports financial status that is transparent, verifiable, and accurate. to maintain benefits of all stakeholders
- o The company sets policies regarding giving/receiving gifts. entertainment or various expenses from the person conduct business with the company must be in accordance with local customs or trade customs. and has a value that is not excessively high
- o The company cooperates with the government sector in specifying projects that are contracted with the government sector Proceed to reveal income and expenditure accounting form submitted to the office of the National Anti-Corruption Commission (NACC).
- o Employees must not ignore If you see an action that is considered dangerous, you must notify your supervisor. or responsible person know or notify through the channels that the company has specified. The company keeps it secret to protect whistleblowers.
- o The company will provide fairness to the informant and the complainant before investigating the facts.
- o Those who commit corruption must be subject to disciplinary consideration according to the Company's regulations. But if doing so is illegal and may be punished according to law.

12) Policy for protection of whistleblowers and related persons

Those who report complaints will receive appropriate protection from the company, such as holding the same position. protection against suspension, termination of employment, or anything else that will result in unfair treatment of that person complaint information will be kept confidential not disclosed to relevant people except where disclosure is required by law. Any person who is aware of the complaint must keep relevant information or matters secret. If you violate this, you willfully disclose the information to the company disciplinary action will be taken against those who violate the rules.

13) Policy for reporting wrongdoing

Scope of the complaint

Directors, employees or any person acting on behalf of the company can be complained of If there is an offense that may be considered corruption In the case where the person making the complaint does not reveal their identity The coordinator will consider the information or is the evidence clear enough? The following complaints will not be accepted.

- o Matters in which no witnesses, evidence, or acts of corruption can be investigated.
- o Matters that have been considered It was found that the evidence was baseless. and there is no significant additional new evidence.

Company operations

o Complaint investigation

- A matter that is not complicated is a matter with clear evidence that does not involve many agencies. May be given to an appointed or authorized person has the right to investigate the facts of such complaints the appointed person must not have a vested interest in the complaint.
- Complicated matters. It is a matter that has a lot of evidence. or related to many agencies Present to the president-officer executive and/or Managing director to consider appointing a fact-finding committee. The appointed committee must not have a conflict of interest in the complaint.

o Processing time

When receiving a complaint The authorized or appointed person will coordinate with the person who raised the complaint within 7 days. Complaint investigator must consider and report the conclusions of complaints that have been resolved. let the offender be informed within 30 days. The punishment must be approved by the approval authority. In the case where a committee is appointed to examine the facts must consider and report a summary of the complaint within 60 days from the date the fact-finding committee receives the order approving the appointment.

In the case of necessity that cannot be completed within the specified time Present the matter to the Chief Executive Officer and/or Managing Director. to consider extending approval of the inspection time

- o Reporting

The complaint investigator is responsible for reporting the results to Complaint Reporter Respondent or other persons who have involved have been informed.

If the matter reported has an impact on the company's reputation Business operations financial status Matters must be reported to the Chief Executive Officer and/or Managing Director. Let us know the matter immediately. to carry out and bring the matter to the Board of Directors' meeting.

In the case where the committee investigates the facts It is proved that The whistleblower provided false information. causing the complainant to suffer deterioration or damage will be punished according to company regulations.

14) Channels for reporting clues

The company has established channels for all involved parties to exchange information, give advice, report or file complaints about unfair, illegal, or violation of rights from the company's operations. or report clues to corruption To help promote the operations of the company It is transparent under good corporate governance. You can make a complaint through Audit Committee or Internal Audit Department at

- o **E-mail**

audit.committee@hydrotek.co.th

- o **Letter**

Hydrotek Public Company Limited, No. 1, TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900

Section 4: Disclosure and Transparency

In addition to disclosing financial reports or other information. to the public through various channels In accordance with the conditions stipulated by law strictly, completely and on time, the Company will disclose the following information to demonstrate transparency in business operations:

1) Disclose information on the performance of duties on the Board of Directors and the Audit Committee, such as the number of times

Meetings and the number of times each director attended the meeting in the past year

2) Reveal the evaluation method and results of the committee's performance evaluation.

3) Reveal the compensation policy for directors and senior executives. including the form or nature of compensation

4) Report on corporate governance policy and performance results according to policy.

5) Disclose information that is a forecast regarding the direction of business operations. Including the future performance of Company (Forward-Looking Information)

6) Disclose important information that has already been disclosed to the public (Material Public Information) clearly. Complete in order to avoid confusion and misunderstanding regarding the information that has been disclosed.

7) Reveal other non-important information. (Non-material Information) by disclosing true information and must not intend to mislead others in the facts regarding their financial status Performance Securities price or disclosure that may cause others to understand that the price of securities increases or decreases.

In addition to this information being disclosed to the public through the Securities and Exchange Commission ("SEC") or the Stock Exchange, it will also be disclosed through the Company's website.

Section 5: Board Responsibilities

The Company's Board of Directors consists of experts with knowledge, abilities, and experiences from various professions. Both engineering Management and other experiences that are useful in the operations of the committee and be independent in making decisions for the best interests of the company and shareholders as a whole The Board of Directors is involved in determining (or approve) the vision, mission, strategy, goals, business plan and budget of the company, as well as supervise the management to carry out the business plan and budget efficiently and effectively. To add maximum economic value to the business and maximum stability to shareholders. Including ensuring that there is a process for evaluating the suitability of internal controls. internal audit Risk management financial reporting and the results of operations are regularly followed up.

1) Board structure

o The Company's Board of Directors has 7 members, consisting of 3 Company Directors from the management team.

There are 3 company directors who are not executives, with 4 directors who are qualified as independent directors, which is more than 1/3 of the total number of directors.

o The Board of Directors supports diversity in the structure of the Board of Directors, consisting of qualified persons with diverse knowledge and abilities, experience, knowledge and expertise that are beneficial to business operations. Adhere to morality and honesty Without limiting gender, race, religion, age, professional skills. or other specific features

2) Business ethics

To enable the operations of the company Under good corporate governance and having sustainable growth. Board of Directors

The company has announced Board of Directors Manual Director's Manual and business ethics The Board of Directors encourages employees to adhere to business ethics. By promulgating policies and guidelines for anti-corruption and corruption. To be suitable for the current business environment.

3) Remuneration for directors and senior executives

The Company has a policy to clearly and transparently determine monetary compensation for directors. and presented for approval from the meeting shareholders every year The criteria for determining the remuneration of directors are as follows:

- o It is appropriate and consistent with the scope of duties and responsibilities of each director.
- o Remuneration is at a level that can be motivating to retain knowledgeable and capable directors. and has quality in
Able to perform duties for the company
- o Compensation components are clear, transparent and easy to understand.
- o The rate is comparable to the remuneration of directors in the same or similar industry.
- o The company has a policy for determining the compensation of the Chief Executive Officer. Managing Director and Deputy Managing Director By consideration of the Nomination and Remuneration Committee which will consider compensation and bonus of the Chief Executive Officer Managing Director and Deputy Managing Director From reference to industry conditions in the same business group. Consistent with the duties, responsibilities and operating results of the company To maintain personnel with knowledge and ability to remain with the company. and present it to the Board of Directors for further consideration and approval.

4) Board meeting

- The company will organize a committee meeting and conduct the meeting in accordance with the company's regulations. Laws related to public limited companies and regulations of the Stock Exchange and will hold additional special meetings as necessary. The Chairman of the Board, as chairman of the meeting, will encourage the use of careful discretion and allocate sufficient time to the meeting. In order for the management to present matters and be able to discuss important issues carefully among all.

- The committee jointly sets the meeting schedule in advance for the whole year. Except in the case of a special occasion by

The Board of Directors will hold meetings at least 4 times a year. The Risk Management Committee and the Nomination and Remuneration Committee will hold meetings at least 2 times a year. The Company will send a meeting notice along with the agenda. Meetings and meeting

documents are sent to the committee not less than 7 days before the meeting date. So that the committee has enough time to study the information.

- The board has set a policy regarding the minimum number of quorum. At the time when the board will vote at a board meeting, there must be no less than two-thirds of the total number of directors. And every director must have a proportion of their attendance at the board meeting. At least 75 percent of meetings throughout the year. The Company records meetings accurately and completely so that shareholders can review them.

6.2 Business Code of Conduct

To ensure that the company's operations are under good corporate governance and have sustainable growth. The Board of Directors has announced Board of Directors Manual Director's Manual and business ethics The Board of Directors encourages employees to adhere to business ethics. By promulgating policies and guidelines for anti-corruption and corruption. To be suitable for the current business environment.

conflict of interest

1. Avoid making transactions related to yourself. that may cause conflicts of interest with the company
2. Carry out the transaction as if it were a transaction with a third party, including directors, executives, or employees who are involved.

lost in that item Must not take part in approval consideration.

3. Do not use opportunities or information obtained from being a director, executive, or employee for personal gain and doing business that competes with the company or doing related business.
4. Do not use inside information for your own benefit in trading the company's shares. or provide inside information to other persons for the benefit of trading the Company's shares.

Policy on responsibility towards stakeholders

Encourage shareholders to exercise their basic rights as specified in the company's laws and regulations to create maximum satisfaction to shareholders. Taking into account sustainable growth. Create additional value and provide appropriate returns. and conduct business in accordance with the principles of good corporate governance

1. Manage and perform duties by applying management knowledge and skills to their fullest potential.

With honesty, caution, and carefulness in various operations. and is fair to all shareholders and for the benefit of the group involved as a whole

2. Manage the company's business to ensure stable progress. and create appropriate return value for shareholders

3. Do not take any action that may cause a conflict of interest of the Company Group.

4. Report on the operating status of the company Both financial and non-financial to shareholders equally

Consistent and complete according to reality

5. Provide an opportunity for one or more shareholders who hold shares according to the criteria set by the company to propose nominations.

matters to be agenda items or nominate qualified persons to be considered for selection as company directors in advance of the shareholder meeting. It has been screened by the Nomination and Consideration and Remuneration Committee and presented for approval by the Board of Directors.

6. Establish an investor relations department to provide information and answer questions. Receive advice/suggestions from

Shareholders and general investors Including various channels to access information such as the company's website. and by telephone, etc.

Policy of responsibility towards customers

Committed to creating satisfaction and confidence for customers. and outsiders who receive good quality products and services at reasonable and fair prices, including continuously raising the standards of both products and services.

1. Follow the contract Transparent agreements or conditions with every customer In cases where it is not possible to perform must notify customers in advance to work together to find solutions and prevent damage.

2. Committed to maintaining product and service standards both quality and fair prices Including research and development to create Maximum benefit to customers.

3. Committed to creating satisfaction and confidence for customers to receive excellent quality service under safe and appropriate technology Including continuously raising standards to be higher.
4. Promote the provision of standard products and fast delivery services and create the greatest benefit to customers
5. Give importance to maintaining confidential information of customers. and do not use such information for profit of oneself and those involved.
6. Disclose information about services completely, correctly, in a timely manner, without distorting actual information including maintaining good and sustainable relationships.
7. Establish a customer relations department to receive complaints, suggestions, or criticisms from customers through many channels, such as telephone, fax, electronic communication, online, etc.
8. Do not call, receive, request, or give any benefits. that is dishonest with customers.

Responsibility policy towards trade competitors

Treating competitors under the legal framework regarding trade competition practices. By adhering to the principles of fair and honest competition.

1. Act within the framework of free and fair competition rules.
2. Do not violate the secrets or know the trade secrets of business competitors through fraudulent and dishonest means by strictly following the guidelines set forth in the Business Ethics Code.
3. Do not destroy the reputation of business competitors by making slanderous accusations. and attacking competitors without factual information and evidence.

Policy on treatment towards trade creditors

Adhere to promises and strictly comply with conditions and duties to creditors, including complying with agreed covenants.

1. Maintain and strictly comply with the conditions reached by creditors. Both in terms of payment Taking care of collateral insurance and other conditions agreed upon.
2. Financial reports to this owner according to the contract terms are accurate and complete. and in accordance with the principles of good corporate governance
3. Report to creditors. If in the case of not being able to comply with the agreed commitments and find guidelines a common solution to problems.

Policy on conducting business under environmental standards

The company is aware of the importance of environmental protection. Therefore, environmental policies have been established in parallel business operations of the company The guidelines for practice are as follows:

- Arrange project management with environmental considerations in mind. and regularly follow up on the results of operations in order to not to affect the living conditions of people in the surrounding communities.

- Promote environmental knowledge and understanding among employees by educating and campaigning through boards public relations and/or circular letters within the company.
- Promote efficient use of resources Taking into account energy saving and resources are recycled.
- Be a part of society by using your expertise. and the company's technology in implementing projects to develop water quality and quality of life for people in the community.

Policy on conduct and responsibility for the government sector

Conduct business to strengthen and develop the prosperity of the country. By adhering to relevant laws, rules, regulations and rules. and according to general business traditions

1. You should conduct business correctly and honestly with officials or government agencies.
2. Follow local rules. or some countries that may have laws, conditions, criteria, procedures, or various traditions In running a business, it involves employment. Donating money, giving rewards, welcoming or catering to government employees or related government agencies.
3. Follow the regulations in each locality regarding the hiring of government employees while they are on the job consulting or being an employee in the company group with employment conditions that are transparent and appropriate
4. Avoid conducting transactions with government officials or family members of government officials while they are such influences decisions regarding contracts with the state.
5. Building good relationships between the government sector and the company group to the extent appropriate for business operations, such as meet and talk in various public places Expressing congratulations on occasions, festivals, or according to traditional practices.

Policy that will not involve violations of human rights

The company has established a policy so that personnel are not involved in human rights violations. To achieve equality for shareholders, investors, and stakeholders. and all involved parties according to human rights principles It will not violate personal rights and freedoms. Do not discriminate against any one person.

Policy not to engage in infringement of intellectual property rights or copyright

The company has established policies and guidelines to ensure that personnel do not engage in infringement of intellectual property rights. or copyright Do not use unauthorized, illegal software or copy copyrighted software.

Policy on Responsibility for Data and Information

Promote the disclosure of accurate information sufficient and timely for transparency and fairness in investing and disclosure of important information, both financial and non-financial information.

1. Do not seek benefits for yourself and those involved by using inside information that has not yet been disclosed to the public. and do not disclose secret business information or for personal gain. which will lead to negative consequences for the company group to outsiders
2. Establish measures to prevent the misuse of inside information by related persons, including directors.

Executives, employees and employees of the company related to such information shall be disclosed to outsiders. or persons who do not have relevant duties And do not seek benefits for yourself and those involved from your position and the company's confidential information.

Policy on responsibility for quality, safety and health

Give importance to the management of quality, safety, and hygiene in operating with continuous standards. By setting and reviewing quality policies Safety, Occupational Health and Environment Including attaching good practices for sustainable development. The guidelines are as follows.

1. Comply with the law, including rules, regulations, and various requirements. in terms of quality and safety occupational health and environment Including various related standards strictly.
2. Executives, employees, and employees of contractors or outsiders who come in contact must adhere to and perform work in accordance with the law. Strictly related policies, regulations and standards for quality, safety, occupational health and the environment.
3. Arrange public relations and communication. To create knowledge and understanding and disseminate information to market employees. Those who have relevant stakeholders To know and understand policies, rules, regulations, procedures and various precautions regarding quality, safety, health and environment. as well as being able to use it as a practice guideline correctly without causing harm to health, property, and the environment as well as adhering to it as a correct practice guideline without causing harm to health Property and environment
4. Control and prevent various forms of loss. Resulting from accidents, fires, injuries, or injuries from work. Loss or damage to property Security violation Incorrect work performance and various errors that occur, as well as maintaining a safe working environment for employees Associate workers and employees of contractors or outsiders who come in contact with them are the responsibility of the management. Employees to report accidents at their workplace or nearby By following the steps specified.
5. Establish a plan to control and prevent emergencies in the area of operation. To prepare for incident management various emergencies that may occur.
6. Arrange for safety officers to work at every level under their command. Reserve safety officers in Management level work.
7. Promote, support, and follow up on work safety operations according to the plan. In order to have appropriate safety management for the business establishment.
8. Supervise business and follow up to have various defects corrected for the safety of employees as received reports or recommendations of safety officers at work or safety agency.
9. Develop a safety management system to be in line with relevant laws and regulations and ensure evaluate and review regularly.
10. Arrange for regular testing and practice of emergency procedures. and continuously improve.

Anti-corruption policies and practices And do not pay bribes for business benefits.

The company has an anti-fraud and corruption policy. Directors, executives, and employees are prohibited from supporting fraud and corruption. and to regularly follow up and inspect compliance with the anti-fraud and corruption policy. as well as reviewing the practice guidelines To be consistent with business changes The guidelines for practice are as follows:

1. Directors, executives and employees must comply with the anti-corruption policy and must Realize that corruption is inappropriate according to business ethics.
2. The company encourages personnel to have knowledge about fraud and corruption. To carry out work with honesty and integrity and prevent wrongdoing from occurring Through communication/public relations/circular letters.
3. The company has appropriate and regular internal audits and controls to prevent the performance of duties inappropriate employees.
4. The company reports its financial status in a transparent, verifiable, and accurate manner to protect the interests of all stakeholders.
5. The company sets policies regarding giving/receiving gifts entertainment or various expenses from persons conducting business with the company must be in accordance with local customs or trade customs. and has a value that is not excessively high
6. The company cooperates with the government sector. In specifying projects that are contracted with the government sector Proceed to reveal Statement of income - expenses to the Office of the National Anti-Corruption Commission (NACC).
7. Employees must not be negligent. If you see an action that is considered dangerous, you must notify your supervisor. or the responsible person knows or notify through the channels that the company has specified. The company keeps it secret to protect whistleblowers.
8. The company will be fair to the informant and the complainant before investigating the facts.
9. Those who commit corruption must be subjected to disciplinary consideration according to the company's regulations. But if the action that is illegal may be punished according to law.

Policy for protection of whistleblowers and related persons

The whistleblower will receive appropriate protection from the company, such as remaining in the same position. Protection against suspension, termination of employment, or anything else that will result in unfair treatment of that person. Complaint information will be kept confidential. Not disclosed to relevant people Except where disclosure is required by law.

Any person who is aware of the complaint Must keep relevant information or matters secret. If you violate this, you willfully disclose the information to the company. Disciplinary action will be taken against those who violate the rules.

Policy for reporting wrongdoing

Scope of the complaint

Directors, employees or any person acting on behalf of the company can be complained of if there is an offense that may be considered corruption

In the case where the person making the complaint does not reveal their identity the coordinator will consider the information. Or is the evidence clear enough? We will not accept complaints as follows:

- Matters that do not specify witnesses, evidence, or acts of corruption that can be investigated.
- Matters that have been considered. It was found that the evidence was baseless, and there is no significant new evidence or important additional information

Company operations

- Complaint investigation

- A matter that is not complicated is a matter with clear evidence that does not involve many agencies. May be given to an appointed or authorized person who has the right to investigate the facts of such complaints. The appointed person must not have a vested interest in the complaint.
- Complicated matter: It is a matter that has a lot of evidence, or related to many agencies. Present to the Chief Executive Officer and/or Managing Director to consider appointing a fact-finding committee. The appointed committee must not have a conflict of interest in the complaint.
- Processing time when receiving a complaint: An authorized or appointed person will coordinate with the informant. Complaints within 7 days. Complaint investigators must consider and report the conclusions of complaints that have been resolved. Let the offender be informed within 30 days. The punishment must be approved by the approval authority.

In the case where a committee is appointed to investigate the facts, must consider and report a summary of complaints within 60 days since the date the fact-finding committee receives the order approving the appointment.

In the case of necessity that cannot be completed within the specified time, present the matter to the Chief Executive Officer and/or Managing Director to consider extending approval of the inspection time.

- Reporting: Complaint investigators are responsible for reporting the results to complaint Reporter. The complainant or other people involved were informed.

If the reported matter has an impact on the company's reputation and business operations, financial status, matters must be reported to the Chief Executive Officer and/or Managing Director. Let us know the matter immediately, to carry out and bring the matter to the Board of Directors' meeting.

In the case where the committee investigates the facts, it is proved that the whistleblower provided false information. Make the complainant receive deterioration or damage will be punished according to company regulations.

Channel for reporting clues

The company has established channels for all involved parties to exchange information, give advice, report or file complaints about unfair, illegal, or rights violations from the company's operations. or report clues to corruption To help promote the company's operations to be transparent under good corporate governance. You can make a complaint through Audit Committee or Internal Audit Department at

- **E-mail**

audit.committee@hydrotek.co.th

- **Letters**

Hydrotek Public Company Limited, No. 1, TP&T Building, 14th Floor, Soi Vibhavadi Rangsit 19, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900

Control of inside information

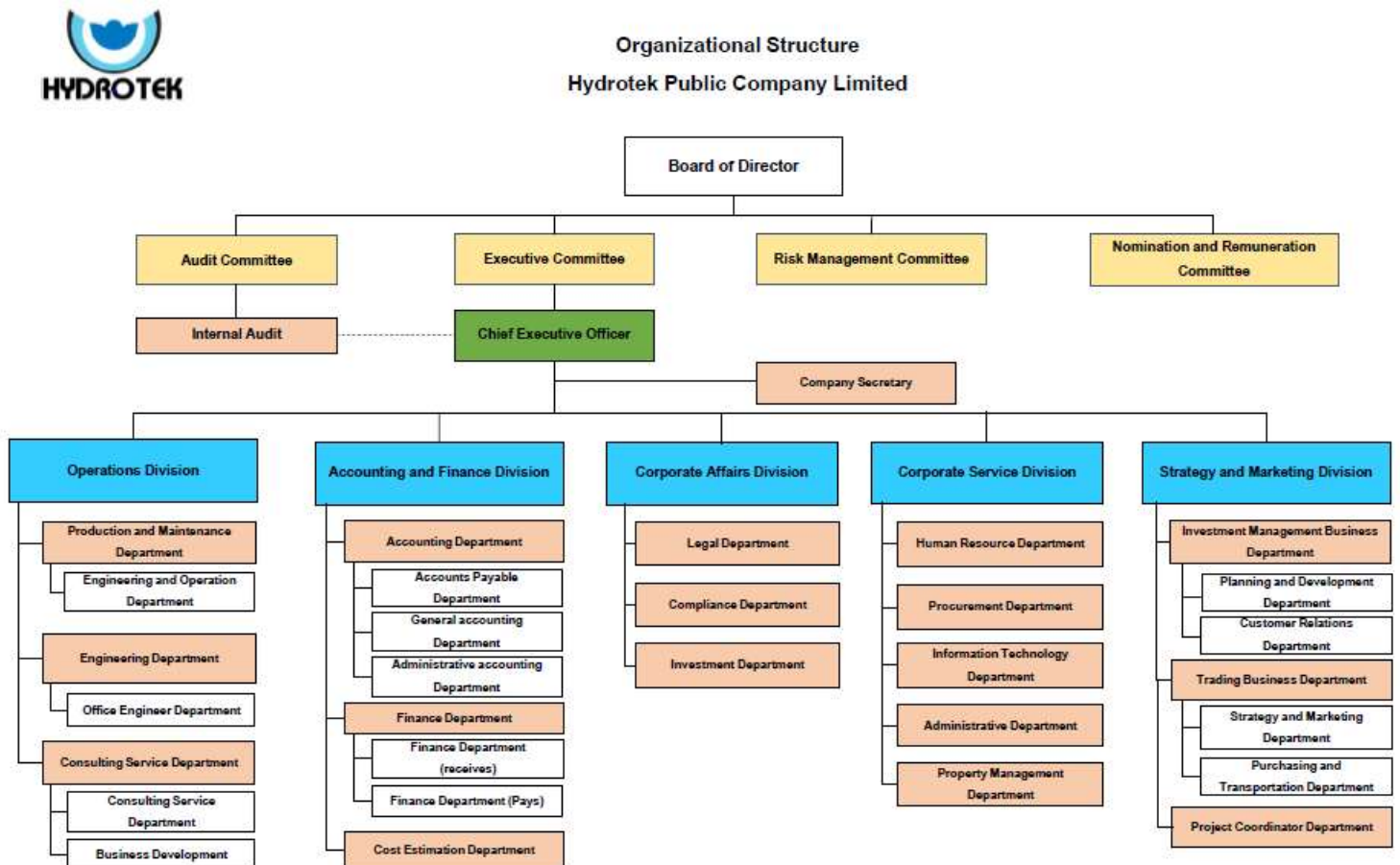
The Company set up the rules and regulation for the inside information usage as follows:

1. Determine rules and regulations for the inside information usage in accordance with good corporate governance as follows:
 - (1) Director, executive, employee and staff has to keep the Company's secret and/ or inside information.
 - (2) Director, executive, employee and staff will not use both directly and indirectly any secret and /or inside information to disclose or exploit for personal or other benefit with or without any return.
 - (3) Director, executive, employee and staff will not trade, transfer or receive shares of the Company by using secret and/or inside information and/ or entering into any legal agreement by using secret and/ or inside information which will cause directly or indirectly damage to the Company. Director, executive, employee and staff who work in department which obtain insider information should avoid or cease trading the Company's share during 1 month before the financial statements disclose to the public. This prohibition governs spouse and minor child of director, executive, employee and staff of the Company. Any person who breaches the regulations will be counted as severe violation.
 - (4) Director and executive including the Company's auditor has to report the change of shareholding, such holding has to include the shares hold by the spouse and minor child, to SEC according to Section 59 of the Securities and Exchange Acts B.E. 2535.
2. Announce such rules and regulations for widespread acknowledgement.

7. Corporate governance structure and important information about the board of directors, committees, executives, and other employees.

7.1 Corporate governance structure

Management structure diagram



(Mr. Banjerd Thongchareon / Mr. Somprasong Panjalak)

7.2 Information about the committee

Composition of the committee

The composition of the Company's Board of Directors as of December 31, 2023 is as follows:

1) **Independent Director**

1. Air Chief Marshal Surasak Meemanee
2. Prof. Dr. Kamphol Panyagomes
3. Dr. Siridej Khamsuprom
4. Mr. Pamin Phantawesak

2) **Non-executive directors include independent directors.**

1. Air Chief Marshal Surasak Meemanee
2. Prof. Dr. Kamphol Panyagomes
3. Dr. Siridej Khamsuprom
4. Mr. Pamin Phantawesak

3.) **Executive directors**

1. Mr. Somprasong Panjalak
2. Mr. Somchan Panjalak
3. Mr. Sukrit Jintanakosin

Signature authority of the company colonel

The directors authorized to sign to bind the company are Mr. Somchan Panjalak, Mr. Sukrit Jintanakosin and Mr. Somprasong Panjalak. Two of these three directors sign together. and affix the company seal.

7.2.1 Board of Directors

As of December 31, 2023, the company has 7 committee members and has held 13 meetings. The company secretary will send meeting invitation letters. along with the meeting agenda and meeting documents to the committee in advance To have time to study the information before attending the meeting. Everyone can express their opinions freely and without depending on any person or group of people. Meetings and comments are clearly recorded. and in writing and every committee member has a proportion of attending committee meetings of at least 75 percent of the meetings throughout the year. There are details of meeting attendance.

Structure of the Company's Board of Directors and Executives

The company's management structure consists of 5 committees: the Board of Directors Audit Committee Risk Management Committee Nomination and Remuneration Committee and executive committee The qualifications of each committee are fully considered have knowledge, ability and experience related to the company's operations be a virtuous person responsibility have a transparent work history and adhere to good principles and standards.

Name	Surname	Position	Number of meeting times/ Number of meeting held		
			Board of Director	General Meeting of Shareholders	Extraordinary General Meeting of Shareholders
1. Mr.Somprasong	Panjalak	Chairman of the Board	13/13	1/1	1/1
2. Mr.Sukrit	Jintanakosin*	Director	13/13	1/1	1/1
3. Mr.Somchan	Panjalak	Director	13/13	1/1	1/1
4. Air Chief Marshal Su- rasak	Meemanee	Independent Director	13/13	1/1	1/1
5. Prof.Dr.Kamphon	Panyagomes	Independent Director	11/13	1/1	1/1
6. Dr.Siridej	Khamsuphom	Independent Director	12/13	1/1	0/1
7. Mr. Pamin	Phantawesak	Independent Director	11/13	1/1	1/1

* The Company's Board of Directors Meeting No. 12/2022 on December 8, 2022 approved the appointment of Mr. Sukrit Jintanakosin. To serve as Chief Executive Officer/Nomination and Remuneration Committee/Authorized Signing Committee/Risk Management Committee/Director Effective from 1 January 2023 onwards.

Scope of powers, duties and responsibilities of the Board of Directors

Perform duties in accordance with the law, objectives, and regulations of the company. Resolutions of the Board of Directors and resolutions of the shareholder meeting with responsibility caution and honesty

1. Consider specifying details. and give approval to the vision, mission, business strategy Business direction, Business policy, goals, guidelines, operational plans large investment projects and the company's budget and subsidiaries According to the Executive Board and the management department prepared
2. Supervise administration and the performance of the Executive Committee Chairman of the board of directors, management or any person assigned to perform such duties to be in line with the vision, mission, business strategy Business direction Business policy, goals, guidelines, operational plans and the budget set by the Board of Directors
3. Follow up on performance and the company's strategy and subsidiaries continuously to be in line with the operational plan and the company's budget

4. Proceed for the company and subsidiaries adopt appropriate accounting systems and effective use Including providing an internal control system. including an adequate internal audit system and effective Including a process to evaluate the appropriateness of the company's internal control system. and subsidiaries regularly
5. Arrange for a balance sheet. and the income statement as of the end of the company's fiscal year. and sign to certify such financial statements to present to the shareholders at the annual general meeting. to consider approval
6. Consider and approve the selection. and propose the appointment of an auditor and consider appropriate remuneration as presented by the Audit Committee before presenting to the shareholder meeting at the annual general meeting to consider approval
7. Establish a policy regarding corporate governance in accordance with the principles of good corporate governance of the Stock Exchange of Thailand. and the Securities and Exchange Commission in writing. and give approval to such policy as well as promoting the effective application of such policies. To maintain and maintain high standards of good corporate governance in the company. and can be confident that the company Be responsible to all groups of stakeholders with fairness. The policy is reviewed at least once a year.
8. Establish a code of ethics for conducting business based on the principles of honesty and integrity. Principles of transparency, principles of good corporate governance and good social ethics which has been approved by the Board of Directors and require directors, executives, and employees to strictly comply with Including publicizing throughout the organization to make it understandable through the electronic mail system. Including putting up a public relations board. It has also created operational standards. and operations (Standard Operating Procedures) to control operations. and operations within the organization
9. The Board of Directors oversees risk management. To cover the entire organization By assigning the Risk Management Committee to determine risk management policy. and present the policy to the Board of Directors for acknowledgment. The Risk Management Committee is responsible for ensuring compliance with the policy and every time it is found that the risk level has changed. This includes paying attention to early warning signs. and all abnormal items to be reported
10. The Board of Directors knows. In addition, the charter should be reviewed. and evaluate the results of the Risk Management Committee at least once a year by disclosing it in the annual report. The Board of Directors has established a policy for reporting clues. For those who wish to report clues or stakeholders through the website or reporting directly to the Audit Committee and the Board of Directors The channel for reporting clues may be through the head of the internal audit. and/or secretary of the board of directors To report to the directors, independent directors, or audit committee of the company. In order to check the information according to the process that the company has set up and have clear guidelines for action when receiving a report.

11. Consider and approve the appointment of qualified persons. and does not have prohibited characteristics as specified in the Companies Act Public Company Limited B.E. 2535 (including amendments) Securities and Exchange Act B.E. 2535 (including amendments) including related announcements, rules and/or regulations. In the event that the director position is vacant For reasons other than leaving according to the term and consider and approve the appointment of directors to replace those who retire by rotation and determination of directors' remuneration To present to the shareholder meeting for consideration and approval.

12. Appoint a sub-committee. Including the audit committee Executive Committee Nomination committee and consider compensation or any other sub-committee and determine the authority and duties of the said sub-committee. To assist and support the performance of the duties of the committee. and consider determining the total remuneration for sub-committees according to the budget proposed by the management. (not exceeding the total amount approved by shareholders)

13. Consider appointment Chief Executive Officer Deputy Managing Director, Office of the Chief Executive Officer and company secretary Including considering determining the remuneration of the Chief Executive Officer. Deputy Managing Director, Office of the Chief Executive Officer and consider setting the total amount for employees' annual bonuses. and executives of the company. Executives who will be appointed by the board must not conduct business or hold directorship positions. or executives in other companies (Apart from the company affiliated companies) which operate businesses that compete with the Company (Whether directly or indirectly) the executives have a duty to notify the Board of Directors of the said matter before the appointment (if any). If after being appointed by the Board The said executive is engaged in business or holds a directorship position. or executives in other companies (Apart from the company affiliated companies) which conduct business in a manner that competes with the Company (whether directly or indirectly) The Board of Directors will take actions as it deems appropriate to manage such interests.

14. Consider and approve the spending of money for investment. Various operations Borrowing or applying for any credit from financial institutions as well as becoming a guarantor For the normal business operations of the Company, its subsidiaries and affiliates. without limit of money under regulations Company regulations including related regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board

15. Consider and approve connected transactions between the Company, subsidiaries, associated companies, and connected persons. As specified in the Securities and Exchange Act B.E. 2535 (including amendments) as well as related regulations of the Stock Exchange of Thailand. and the Capital Market Supervisory Board and consider and approve principles regarding trade agreements with general trade conditions for entering into transactions between the companies. and

subsidiaries with directors, executives or related persons To set the framework for the management to have the authority to carry out such transactions. Under the framework and scope of relevant laws and criteria. The said items must be considered and given opinions by the Audit Committee. Before proposing for approval from the Board of Directors' meeting and/or shareholder meetings, depending on the nature and the size of the transaction in accordance with the regulations of the Capital Market Supervisory Board. Directors or executives of the company Anyone who has a stake or involved will not participate in the decision-making process for such items.

16. Provide appropriate communication channels with each group of shareholders. and supervise the disclosure of information and information to ensure that it is accurate, clear, transparent, and reliable. Conforms to the Company's information disclosure policy. and related rules of

17. Appoint individuals to serve as directors of subsidiary companies. or associated companies in an amount at least in proportion to their shareholding, and the scope, authority, duties, and responsibilities of the appointed directors and executives are clearly defined. This includes setting up a clear framework for the authority to exercise discretion in voting in board meetings of subsidiaries. or associated companies in important matters which must be approved by the Board of Directors first. In order to control management in accordance with the company's policy. and making various transactions to be legal This includes disclosing financial information. Performance Making transactions between each other and the acquisition or disposal of significant assets in a complete and accurate manner.

18. Consider and approve the payment of interim dividends.

19. Consider determining and changing the names of directors who are authorized to sign to bind the company.

20. Seek professional opinions from outside organizations. If necessary in order to make appropriate decisions.

21. Supervise the company's operations. To be efficient and protect any interests related to all stakeholders.

22. Arrange a shareholder meeting as an annual general meeting within 4 months from the end of the company's accounting period.

23. Arrange a meeting of the Board of Directors at least every 3 months.

24. Prepare the company's annual report. and is responsible for preparing and disclosing the company's financial statements. and subsidiaries to show their financial status and operating results of the company and subsidiaries in the past year and present to the shareholder meeting for consideration and approval.

25. Evaluate the performance of the entire committee. Including evaluating the performance of individual directors. To consider and review the work Problems and obstacles each year In order

26. Supervise and supervise the management and various operations of the Company and its subsidiaries. To be in accordance with the Company's policies, securities laws, as well as relevant announcements, regulations and criteria of the Capital Market Supervisory Board. Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, such as related transactions and the acquisition or disposal of important assets. As long as it is not contrary to or inconsistent with other laws. Including providing an adequate and appropriate internal control and internal audit system. The Board of Directors can authorize and/or assign other people to perform specific tasks on its behalf. By delegation of authority or the delegation of such sub-power of authority to be within

Scope of powers, duties and responsibilities of the Chairman of the Board

1. Control the meeting to be effective. It is in accordance with the company's regulations. Support and open opportunities Directors express their opinions independently.
2. Support and encourage the Board of Directors to perform their duties to the best of their ability within the scope of their authority Responsibilities and according to the principles of good corporate governance
3. Supervise and follow up on the management of the Board of Directors. and sub-committee to achieve defined objectives
4. Be the deciding vote in cases where the committee meeting decides by a majority and the votes the voices on both sides are equal.

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7.3 Information about sub-committees

7.3.1 Subcommittees

The Company management structure Consisting of the Board of Directors and a total of 4 sub-committees, including the Audit Committee Risk Management Committee and the Nomination and Remuneration Committee Executive Committee with a list of sub-committees and scope of authority As the following details

Audit Committee

As of December 31, 2023, the company has an audit committee of 3 members, consisting of:

			Chairman of the audit committee/ Independent Director
1	Air Chief Marshal Surasak	Meemanee	
2	5. Prof.Dr.Kamphon	Panyagomes	Audit committee/Independent Director
3	6. Dr.Siridej	Khamsuphom	Audit committee/Independent Director

Scope of powers, duties and responsibilities of the Audit Committee

- 1) Review for the company Financial reporting is accurate and adequately disclosed. By coordinating with external auditors and executives responsible for preparing both quarterly and annual financial reports, the Audit Committee may recommend that the auditor review or check any items that are considered necessary and important during the audit of the company's accounts
- 2) Review for the company There is an appropriate and effective internal control system and internal audit system. By reviewing together with external auditors and internal auditors. and consider the independence of the internal audit department. As well as giving approval in considering the appointment, transfer, and termination of the head of internal audit. or any other agency responsible for internal auditing
- 3) Review the company's operations. To be in accordance with the law on securities and stock exchange. Stock Exchange Requirements and laws related to the company's business
- 4) Consider, select, and propose the appointment of an independent person to act as the company's auditor. Including considering the proposed remuneration of the auditor. Taking into account reliability adequacy of resources and the amount of audit work of the auditing office Including the experience of personnel assigned to audit the Company's accounts to present to the Board of Directors for appointment at the general meeting of shareholders. In addition, the Audit Committee is responsible for attending meetings with the auditors by There is no management attending the meeting at least once a year.
- 5) Consider connected transactions or transactions that may have conflicts of interest. Including considering and approving such transactions to present to the Board of Directors' meeting

and/or the shareholders' meeting of the Company in accordance with the law and regulations of the Stock Exchange, in order to ensure that such transactions are reasonable and beneficial. Maximum per company

- 6) Consider and review the financial management policy. and risk management as assigned by the Board of Directors and the Audit Committee approved
- 7) Prepare a report on corporate governance of the Audit Committee and disclose it in the company's annual report. By having the chairman of the audit committee sign the report. and must contain the following information
 - (a) An opinion on the accuracy, completeness, and reliability of the Company's financial reports.
 - (b) Opinions on the adequacy of the company's internal control system.
 - (c) Opinions regarding compliance with the law on securities and exchange. Stock Exchange Requirements or laws related to the company's business
 - (d) Opinion on the suitability of the auditor.
 - (e) Opinions on transactions that may have conflicts of interest.
 - (f) Number of audit committee meetings. and attendance of meetings of each audit committee member
 - (g) Overall opinions or observations received by the Audit Committee in performing their duties in accordance with this Charter.
 - (h) Other items that shareholders and general investors should know. Under the scope of duties and responsibilities assigned by the Board of Directors
- 8) Perform any other duties as assigned by the Board of Directors with the approval of the Audit Committee.

In performing tasks according to the scope of duties and responsibilities The Audit Committee shall have the authority to invite relevant management, executives, or employees of the company to report. Give opinions at the meeting or send documents that are considered relevant and necessary

In performing the duties of the Audit Committee The Audit Committee is directly responsible to the Board of Directors. And the Board of Directors still has responsibility for the Company's operations. to outsiders. The Board of Directors has the authority to amend and change the scope of authority and duties of the Audit Committee as necessary or appropriate.

As of December 31, 2023, the company has an audit committee of 3 members, holding 4 meetings. The secretary of the board will send the meeting invitation along with the agenda and meeting documents to the board in advance. To have time to study the information before attending the meeting. Everyone can express their opinions freely and independent of any person or group of people. There is a recording of the meeting. Comments clearly and in writing. Details of meeting attendance are as follows:

Name	Surname	Position	Audit Committee	
			Number of meeting times	Number of meeting held
1. Air Chief Marshal Surasak	Meemanee	Chairman of the audit committee	4	4
2. Prof.Dr.Kamphon	Panyagomes	Audit committee	4	4
3. Dr.Siridej	Khamsuphom	Audit committee	4	4

Composition and recruitment of the audit committee

Audit Committee of the Company Must be a company director appointed by the board of directors. and approved by the company's shareholders and have qualifications as required by the Securities and Exchange Act, including announcements, rules and/or regulations of the Stock Exchange. The Board of Directors appoints the Audit Committee.

It consists of at least 3 members, all of whom must be independent directors. At least 1 member of the audit committee must be knowledgeable. and sufficient experience to be able to perform the duty of reviewing the reliability of financial statements. The Audit Committee has a term of office of 3 years, except in the case of retirement according to the Company's regulations. who may be elected to a new position.

Qualifications of the independent committee

1. Independent directors of the company Everyone has the qualifications as specified in the announcement of the Capital Market Supervisory Board No. TorChor. 39/2016 regarding requesting permission. and permission to offer newly issued shares for sale (including amendments and additions) and regulations issued by the Office of the Securities Commission and the stock exchange and the Stock Exchange of Thailand as specified:

- Hold shares not exceeding 1 percent of the total number of shares with voting rights of the company, parent company, subsidiary company, associated company, major shareholder. or those with controlling authority of the company, including the shareholding of related persons of that independent director as well.

- Not be or have ever been a director who participates in management, an employee, a staff member, or an advisor who receives a regular salary. or controlling persons of the company, parent company, subsidiaries, associated companies, same-level subsidiaries Major shareholders or of the controlling person of the company Unless it has been free from having the aforementioned characteristics for not less than 2 years.

- Not a person related by blood. or by legal registration as father, mother, spouse, sibling, and child, including the child's spouse of other directors, executives, major shareholders controlling person or persons who will be proposed to be directors, executives, or persons with controlling authority of the Company or subsidiary company

- Do not have or have ever had a business relationship with the company, parent company, subsidiary company, associated company, major shareholder. or the controlling person of the company in a manner that may impede the exercise of independent judgment Including not being or having never been a significant shareholder. or controlling persons of those who have business relationships with the company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the company Unless it has been free from having the aforementioned characteristics for not less than 2 years.

business relationships as mentioned Including commercial transactions that are carried out It is normal to conduct business. Renting or leasing real estate Transactions regarding assets or services, or giving or receiving financial assistance by receiving or lending, guaranteeing, giving assets as collateral for debts including other similar circumstances As a result, the Company or the contracting party has a debt burden that must be paid to the other party. From 3 percent of the company's net tangible assets or from 20 million baht or more. Whichever amount is lower, the calculation of such debt burden shall be in accordance with the method for calculating the value of connected transactions according to the announcement of the Capital Market Supervisory Board regarding the criteria for conducting connected transactions, mutatis mutandis. But in considering the burden Such debt Include debt obligations incurred during the 1 year preceding the date of having a business relationship with the same person.

- Not be or have ever been an auditor of the company, parent company, subsidiary company, associated company, major shareholder. or the controlling person of the company and not being a significant shareholder controlling person or partner of the audit firm which includes the auditors of the company, parent company, subsidiaries, associated companies, and major shareholders or a person with controlling power of the company affiliated with, unless they have been free from having such characteristics for not less than 2 years.

- Not being a director appointed to represent the company's directors. Major shareholders or shareholders who are related to the major shareholders

- Do not operate a business with the same conditions. and is in significant competition with the Company's business. or subsidiary company or not being a significant partner in the partnership or being a director who participates in management, an employee, a staff member, or a consultant who receives a regular salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other companies. which operates a business that has the same nature and is in significant competition with the business of the Company. or subsidiary company

- Do not have any other characteristics that prevent you from giving independent opinions regarding the Company's operations.

- Not being a director who has been assigned by the Board of Directors to make decisions on the operations of the Company, subsidiaries, associated companies, and subsidiaries in the same order. Major shareholders or the controlling person of the company and

- Not be a director of the parent company, subsidiary company, or same-level subsidiary company only that is a listed company.

2. Be independent from the management department and major shareholders of the company And there is no independent director holding a directorship position in more than 5 domestic listed companies.

3. Independent directors should hold office for no more than 3 years each and should not hold office for more than 3 consecutive terms. Unless the board has carefully reviewed the independence of the independent director and has deemed it appropriate to continue in the position. By disclosing the said reasons to shareholders.

Qualifications of the Audit Committee

1. Not being a director assigned by the board of directors Make decisions on the operations of the company, parent company, subsidiary company, associated company, same-level subsidiary company. Major shareholders or the controlling person of the company

2. Not being a director of the parent company, subsidiary company or same-level subsidiary company. Only listed companies

3. Have sufficient knowledge and experience to be able to act as an audit committee member. There must be at least one audit committee member who has sufficient knowledge and experience to be able to perform the duty of reviewing the reliability of the financial statements. can

4. Have duties in the same manner as specified in the announcement of the Stock Exchange of Thailand regarding qualifications and scope of work of the Audit Committee.

Risk Management Committee

As of December 31, 2023, the Company has a Risk Management Committee of 3 members, consisting of:

1	Air Chief Marshal Su-rasak	Meemanee	Chairman of the risk management committee	
2	Mr.Sukrit	Jintanakosin	Risk management committee	Appointed on 1/1/2023
3.	Mr.Somchan	Panjalak	Risk management committee	

Scope of powers, duties and responsibilities of the Risk Management Committee

Risk management policy

1) Promote and develop executives and employees have knowledge and understanding and realize the importance of risk management In order to have a framework for managing and reducing risks that may occur systematically and continuously for the entire company.

2) Prescribe risk management in the form of prevention, correction, and improvement in a correct, transparent manner on a regular basis.

3) Promote risk management as part of the operational plan within the organization. Both in terms of planning, strategy, and operations. Money management and investment

4) Promote continuous development of the risk management process. Including monitoring, evaluating, summarizing results and preparing risk management reports. to present to the Board of Directors

5) Set the risk management process to be of the same standard throughout the organization.

Scope of powers, duties and responsibilities of the Risk Management Committee

1) Establish criteria used to assess the level of risk in construction contracting, service provision, and investment of the Company in both volumes. and quality appropriately and effective Including determining the level of risk that is acceptable (Risk Limited)

2) Consider risk factors Risk management processes and plans to be consistent with the Company's operations It covers credit risk, operational risk, liquidity risk and other risks.

3) Evaluate risk levels, rank them, set risk management guidelines and strategies. To keep the risk at an acceptable level

4) Risk assessment report and operations to reduce risks to the Board of Directors every time they have a meeting.

5) Consider and review guidelines for effective risk management.

6) Follow up on risk assessment results in both normal and crisis situations.

7) The Risk Management Committee has the authority to invite executives. or related persons Attend the meeting to clarify additional information.

8) The Risk Management Committee has the right to seek advice from experts to help them perform their duties according to the Charter efficiently at the Company's expense.

Composition and selection of the Risk Management Committee

The Risk Management Committee must be company directors. who are appointed by the Board of Directors Consisting of an executive committee and at least 1 independent director, with the number as the Board of Directors deems appropriate. The person holding the position of Chairman of the Risk Management Committee is an independent director. The Risk Management Committee has a term of office of 3 years. When the term expires, it may be considered for appointment to continue in the position.

Qualifications of the Risk Management Committee

1. Appointed by the Board of Directors to be a member of the Risk Management Committee
2. Have sufficient knowledge and experience to be able to perform duties as a member of the Risk Management Committee.
3. Not in a manner that is restricted in the scope of giving independent opinions regarding risk considerations.
4. Independent directors or executive directors hold the position of chairman of the Risk Management Committee.

Nomination and Remuneration Committee

As of December 31, 2023, the Company has a Nomination and Remuneration Committee of 5 members, consisting of:

1	Prof.Dr.Kamphon Panyagomes	Chairman of the nomination and remuneration committee	
2	Air Chief Marshal Su-rasak Meemanee	nomination and remuneration committee	
3	Dr.Siridej Khamsuphom	nomination and remuneration committee	
4	Mr.Sukrit Jintanakosin	nomination and remuneration committee	Appointed on 1/1/2023
5	Mr.Somchan Panjalak	nomination and remuneration committee	

Scope of powers, duties and responsibilities of the Nomination and Remuneration Committee

Committee

The company has an appropriate and transparent personnel selection plan. To make the company Get professional executives and can be managed independently from major shareholders or any one of them The selection committee prepares the succession plan for senior executives, including the Chief Executive Officer. President and Deputy Managing Director to propose to the Board of Directors for consideration.

Recruitment

1) Determine the qualifications of persons who will serve as directors of the company. and the selection process to replace directors whose terms have expired or in other cases Considering specific skills, experience, and abilities.

2) Consider recruiting qualified individuals to serve as company directors. Replacement of directors whose terms have expired or in other cases to propose to the Board of Directors and/or the shareholders' meeting for consideration and approval.

3) Create a succession plan for the position of Chief Executive Officer. Managing Director and Deputy Managing Director to propose to the Board of Directors for consideration and approval.

4) Perform other duties As assigned by the Board of Directors

Consideration of remuneration

1) Propose guidelines and methods for paying remuneration to the Board of Directors and sub-committees appointed by the Board of Directors. This includes a monthly stipend. and special compensation or annual bonus

2) Consider the budget for wage increases changes in wages and compensation The annual salary of the organization before submission to the Board of Directors

3) Report progress and performance results to the Board of Directors after every meeting of the Compensation Committee.

4) Perform other duties as assigned by the Board of Directors

5) Nomination Committee and consider compensation and have the authority to invite executives or related persons attend the meeting to clarify additional information.

6) Nomination Committee and considering compensation have the right to seek advice from experts to help them perform their duties according to the charter efficiently at the Company's expenses.

Recruitment and appointment of the Board of Directors and sub-committees

Composition and selection of the Board of Directors

1. The Company's Board of Directors consists of at least 5 directors and not less than half of the total number of directors must reside in the Kingdom. and directors of the company Must have the qualifications as specified by law.

2. The shareholder meeting elects directors using a majority vote. According to the following criteria and methods

2.1 One shareholder has one vote per share.

2.2 Shareholders vote to elect directors individually.

2.3 Persons who receive the highest number of votes in descending order are elected as directors, equal to the number of directors that will be available. or there will be an election at that time In the event that the persons elected in descending order have the same number of votes, the number of

directors will be exceeded. or there will be an election at that time The chairman of the shareholder meeting shall have the deciding vote.

3. At every annual general meeting of shareholders 1/3 of the directors shall retire from office. If the number of directors cannot be divided exactly into three parts, then the number closest to 1/3 shall be removed. In this regard, directors who must retire from office in the first year and the second year after. Register that company Use the method of drawing lots to determine who will leave. In subsequent years, the directors who have been in office the longest will be the ones to leave their positions. Directors who retire by rotation may be re-elected to hold new positions.

4. In addition to retiring from office at the end of the term Directors will vacate their position upon death, resignation, lack of qualifications, or having characteristics prohibited by law. The shareholder meeting voted to remove him. and the court ordered him to leave

5. Any director who wishes to resign from his position must submit a resignation letter to the company. The resignation will be effective from the date the resignation letter reaches the company.

6. In the case where the position of director is vacant for reasons other than retirement at the end of the term. The committee will select a person who has the qualifications. and does not have prohibited characteristics according to law to act as a replacement director at the next meeting of the board of directors Unless the director's term is less than 2 months remaining, the person who becomes the replacement director will hold the position of director only for the remaining term of the director he or she replaces. The resolution of the board of directors according to the above must consist of votes of not less than three-fourths of the number of remaining directors.

7. The shareholder meeting may vote to remove any director from his position before the end of his term with a vote of not less than three-fourths of the number of shareholders who attend the meeting and have the right to vote. and have shares totaling not less than half. of the number of shares held by shareholders who attended the meeting and had voting rights

8. The board of directors shall elect one director to be the chairman of the board. and in the case where the committee considers it appropriate One or more directors may be chosen to be vice-chairmen of the board. The committee may assign one or more directors to perform any task on behalf of the committee.

In addition, according to the company's regulations Also specify the requirements. Concerning the performance of duties of the Board of Directors as follows:

1. Directors are prohibited from becoming partners in a general partnership. or being a partner with unlimited liability in a limited partnership Operate business or become a director in a private company or other company that conducts business of the same nature. and is in competition with the Company's business. unless the shareholder meeting is informed before the appointment resolution is made.

2. Directors must perform their duties in accordance with the law, objectives and company regulations. as well as the resolutions of the shareholders' meeting with honesty and integrity and carefully protect the interests of the company

3. Directors must inform the company. Know without delay In the event that a director has an interest, whether directly or indirectly, in any contract that the company makes during the fiscal year. or hold shares or debentures in the company and affiliated companies It specifies the total amount that increased or decreased during the fiscal year.

Composition and selection of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee must be company directors. who are appointed by the Board of Directors or the company's shareholder meeting with a majority of independent directors And arrange for meetings of the Selection and Compensation Committee at least twice a year. The Selection and Compensation Committee has a term of office of 3 years. When the term expires, they may be considered for appointment to continue their position.

Qualifications of the Nomination and Remuneration Committee

1. Appointed by the Company's Board of Directors or the Company's shareholder meeting.
2. Not in a manner that will be limited in the scope of giving independent opinions regarding the consideration of forms and criteria for remuneration of directors and senior executives.

Composition and recruitment of the executive committee

The Executive Committee must be company directors and/or company executives. who are appointed by the Board of Directors The number is as the Board of Directors deems appropriate. and whereby the Board of Directors will appoint one executive director to be the executive chairman.

Supervision of operations of subsidiaries and associated companies

The Board of Directors has a governance mechanism that allows it to oversee the management and be responsible for the operations of subsidiaries and associated companies. To protect the interests of the Company's investments under the law, objectives and regulations of the Company. Including supervising the company and its subsidiaries to comply with the regulations of the Stock Exchange of Thailand. By the operations of the Board of Directors in supervising and controlling Manage and be responsible for the operations of the company and its subsidiaries. Can be summarized into the following important points:

1. Sending people to represent the company as directors, executives, or persons with controlling power in subsidiaries and associated companies in proportion to their shareholding in such companies. The Board of Directors will consider and approve the appointment of individuals who will represent the Company. in subsidiaries and associated companies, including the powers, duties, and responsibilities of directors and executives By persons appointed as directors in subsidiaries or associated companies Has a duty to act in the best interests of the subsidiary or associated company. and has determined that the person appointed Must receive approval from the Board of Directors before voting. or exercise voting rights on important matters at the same level that must be approved by the Board of Directors. If it is carried out by the company itself Including the scope of authority, duties and responsibilities of the directors and

executives representing the company in the said company in controlling or participating in determining policies that are important to the Company's operations. business ninja

2. Control and supervise the business operations of subsidiaries. and associated companies To be in accordance with business policies, goals, operational plans, strategies, and budgets as approved. and report on operating results and financial status of subsidiaries Present to the Board of Directors for acknowledgment on a regular basis.

3. Determining important policies for the business operations of subsidiaries and associated companies. It must be presented to the Board of Directors for approval before being submitted for approval to the Board of Directors of the subsidiary or associated company. In order to supervise the operations of subsidiaries and associated companies to be efficient and consistent with the Company's operating principles.

4. Investment approval Making related transactions Making transactions on the acquisition or disposal of property or any other important transactions of subsidiaries that significantly affect the business operations of subsidiaries and associated companies Must be approved by the Board of Directors.

5. Disclosure of financial status and operating results Transactions between subsidiaries with related persons Acquisition or disposal of assets or making any other important transactions of the said company completely and correctly. and use the criteria related to disclosure of information and transactions in the manner mentioned above in the same manner as the Company's criteria.

6. Audit Committee Consider reviewing the accuracy and reliability of financial reports. Review the internal control system internal audit Making transactions between each other Compliance with laws and regulations Related regulations Including supervision of operations of subsidiaries and associated companies.

7. Risk Management Committee Consider and scrutinize risk management policies and guidelines. Including evaluating the risk management performance of subsidiaries and associated companies.

7.4 Information about executives

As of December 31, 2023, the company has an executive committee of 3 members, consisting of:

1.	Mr.Sukrit	Jintanakosin	Chief executive office	Appointed on 1/1/2023
2.	Mr.Somprasong	Panjalak	Director	
3.	Mr.Somchan	Panjalak	Director	

Scope of powers, duties and responsibilities of the Executive Committee

1. Consider and create policies business strategy Goals and operational plans financial goals and the company's budget and subsidiaries By considering business factors appropriately in order to present and request approval to the Board of Directors. And in the event that the situation changes The Executive Committee will consider and review the use of the approved budget to be appropriate to the particular situation.

2. Supervise, inspect, and follow up on the company's business operations. according to policy Targeted business strategy and operational plans financial goals and the company's budget that has been approved by the board of directors to be efficient and effective, conducive to business conditions Ready to provide advice and guidance on management to senior executives.

3. Study the feasibility of investing in new projects. and has the power to consider and approve the Company to invest or jointly invest with individuals, juristic persons, or any other business organizations. in the form that the Executive Board deems appropriate To carry out business according to the Company's objectives as well as consideration and approve the spending of money for such investment. Entering into a legal contract and/or taking any action related to the said matter until it is completed in accordance with the specified and/or legal limit. and related rules and/or according to the company's regulations

4. Follow up on performance and the progress of each investment project. and report results including problems or obstacles that occur and guidelines for improvement to the Board of Directors.

5. Consider and approve rules, regulations, and management policies. and business operations of the company or any action that is binding on the company

6. Consider and give suggestions. or opinions to the Board of Directors regarding project proposals or entering into any transactions related to the Company's business operations Including considering options for raising funds. when necessary and exceeds the specified limit and/or the relevant laws and regulations or the Company's regulations. Set for a shareholder meeting and/or the Board of Directors is the person to consider and approve

7. Consider and approve entering into financial transactions with financial institutions in opening accounts, borrowing, applying for loans, pawning, mortgages, guarantees, and others. Including trading and register ownership of any land for the purpose of benefiting the Company's operations. Including entering into legal contracts, submitting requests, proposals, contacting and conducting legal transactions with government agencies. In order to obtain various rights of the Company and/or take any action related to such matter until completed according to the specified financial limit and/or as required by relevant laws and regulations. or regulations of the company

8. Consider the profit and loss of the company. and the proposed payment of interim dividends or annual dividends to be presented to the Board of Directors

9. Appoint and/or assign executive directors. or any one person or many people doing any act within the scope of authority of the Executive Committee. and within the period As the Executive Board deems appropriate The executive committee may cancel or revoke. or amend and change such power

10. Proceed with executives, management, or employees to attend the executive committee meeting or prepare and provide information related to matters that will be discussed at the executive committee meeting.

11. Have authority and any responsibilities as assigned or according to policies assigned by the Board of Directors from time to time.

12. Find a consultant or persons with independent opinions to provide opinions or advice as necessary

13. Report to the Board of Directors on the activities that the Executive Committee carries out within its scope. The powers and duties of the Executive Committee are consistent. Including any other matters that are necessary and it is appropriate to offer The Board of Directors acknowledged

14. Consider and approve the work manual. and the scope of responsibility of the management to carry out various operations Follow the steps systematically.

15. Consider and approve operations that are normal business transactions of the Company according to the investment budget or budget received approved by the Board of Directors The limit for each item is as specified in the table of authority to act through. Approval from the Board of Directors But not exceeding the annual budget approved by the Board of Directors. Including entering into various contracts related to such matters.

16. Evaluate the performance of the entire executive committee. Including evaluating the performance of individual executive directors to consider and review the work Problems and obstacles each year To be able to use the evaluation results for development and improve operations in various areas

In this regard, the Executive Committee may sub-authorize authority to executive level employees of the Company. Has the power to approve financial matters or matters as the Executive Board deems appropriate. By approving the above items. It must not be in the nature of approving transactions that cause the Executive Committee to or the person authorized by the Executive Committee can approve the items that he or she The Executive Board may grant authority to executive level employees of the Company. Has the power to approve financial matters or matters as the Executive Board deems appropriate. By approving the above items. It must not be in the nature of approving transactions that cause the Executive Committee to Or a representative from the Executive Committee can approve items that he or any person who may have conflicts with. have a vested interest Or there may be any other conflicts of interest that will arise with the company. or subsidiaries (if any) as specified by the Capital Market Supervisory Board or relevant agencies.

The Board of Directors has the authority to amend and change the scope of authority and duties of the Executive Committee as necessary or appropriate.

Scope of powers, duties and responsibilities of the Chief Executive

1. The Chief Executive Officer is responsible for overseeing and approve business operations and/or the daily management of the company to be in accordance with the Company's business objectives which can be assigned to executives or manager or any other person suitable to perform duties on behalf of the Chief Executive Officer.

This must be under supervision. Controlled by the Chief Executive Officer. The management of the Company's business must be in accordance with policies, regulations or any orders set by the Board of Directors.

2. Set and present a vision. business strategy Business direction Business policy, goals, guidelines, operational plans and the company's budget and subsidiaries to the Board of Directors For the benefit of preparing such matters to present to the Board of Directors. The Chief Executive Officer attended to consider the matter with the Board of Directors.

3. Give orders, issue regulations, announcements, and records so that operations are in accordance with policy.

4. Coordinate with executives and employees to comply with business policies and directions received from the Board of Directors.

5. Supervise the work of employees in accordance with the policy. Various regulations Including working with Dhamma principles

6. Business governance

7. Promote the development of knowledge and abilities and the potential of employees to increase the organization's potential

8. Consider appointing various advisors. that are necessary for the operations of the company Carry out other tasks as received.

Assigned by the Board of Directors on a case-by-case basis. The Chief Executive Officer does not have the authority to approve matters. or related transactions that are not normal commercial terms Acquisition and disposal of important assets of the company and/or items in which the Chief Executive Officer or a person who may have a conflict of interest has an interest. or have conflicts of interest in any other manner with the company and its subsidiaries The exception is a transaction that is a normal trade condition for which policies and criteria have been established. The transactions were approved in accordance with the policies and criteria that the Board of Directors had considered and approved. and has asked for approval from shareholders In making connected transactions and acquiring or disposing of important assets of the Company or subsidiaries in order to comply with the regulations of the Stock Exchange of Thailand on such matters.

The Board of Directors has the authority to amend and change the scope of authority and duties of the Chief Executive Officer as necessary or appropriate.

Note: The Board of Directors has resolved to revise the Executive Committee Charter. In the meeting of the board of directors 7th time on 22 June 2021

Management team

As of December 31, 2023, the company has a management team of 2 people, consisting of:

1. Mr. Sukrit Jintanakosin Chief Executive Officer
2. Mr. Kasame Chanweerathum Chief Financial Officer

7.4.1 Compensation for company directors and management team

Companies aware that human resources are a priceless asset. Selecting directors and executives who are suitable for the company is therefore the mission of the Nomination and Remuneration Committee. and planning policies for selecting individuals who are suitable and have ties to the work of directors and executives. At the same time, the Nomination and Remuneration Committee There is also a mission to consider fair compensation policies for those who make the company successful.

List of director	Position Remuneration and Meeting Allowance Year 2023				
	Board of Directors	Audit Committee	Risk Management Committee	Nomination Remuneration Committee	Special Compensation Year 2023
1. Mr. Somprasong Panjalak	360,000	-	-	-	-
2. Mr. Sukrit Jintanakosin**	120,000	-	-	-	-
3. Mr. Somchan Panjalak	180,000	-	15,000	15,000	60,000*
4. Air Chief Marshal Surasak Meemanee	180,000	180,000	20,000	15,000	-
5. Prof.Dr. Kamphon Panyagomes	180,000	60,000	-	20,000	-
6. Dr. Siridej Khamsuprom	180,000	60,000	-	7,500	-
7. Mr. Pramin Phantawesak	180,000	-	-	-	-

Notes : *Mr. Somchan Panjalak received approval from the Board of Directors' meeting. In the case of working for the company as a management committee without receiving monthly compensation to have the right to receive special compensation

**Mr. Sukrit Jintanakosin was appointed to the position Chief Executive Officer From January 1, 2023, position compensation has been approved, effective from May 2023.

7.4.2 Management compensation

The Company has a policy for determining the compensation of the Chief Executive Officer. and Deputy Chief Executive Officer By consideration of the Nomination and Remuneration Committee which will consider compensation and bonuses for the Chief Executive Officer and Deputy Chief Executive Officer According to the consideration criteria as follows:

Management compensation	Type	objective
Fixed compensation	Salary and other benefits such as provident fund	To maintain personnel with knowledge and ability to remain with the company.
Short-term incentive compensation	Bonus based on performance	As a reward for the achievements each year

Management compensation	The Fiscal year 2023	
	Number (Person)	Amount (Baht)
Salary	2	3,040,000.00
Bonus	-	-
Provident fund contributions	-	-
Other *	1	103,194.00
รวม		3,143,194.00

*Note * Others include travel expenses and employee benefits (retirement).*

7.4.3 Other compensation

- None -

7.5 Information about employees

7.5.1 Number of employees (excluding management)

As of December 31, 2023, the company has the following number of employees:

	The Fiscal year 2023
	Number (Person)
1. Permanent employee	
- Marketing Department	1
- Operations Department	18
- Accounting and Finance Department	5
- Investor Relations Department and Company	2
- Purchasing department	3
- Human Resources Department	2
- Central administrative agency	2
- IT Information Technology Department	1
- Legal department	-
2. Daily employee	-
รวม	34

7.5.2 Total employee compensation Company employee and the nature of returns

	Year 2023
Compensation of full-time employees in the form of salary, bonus, and provident fund contributions.	16,917,582.00
Employee compensation in the form of wages	-
Seminar training fee	154,429.00
Total	17,072,011.00

7.5.3 Objectives of corporate compensation With the following objectives:

1. To attract people to work in the organization Because everyone wants compensation for their work. Therefore, if the organization wants other people to work with it, it must be paid at a level that is acceptable to that person.

2. To control labor costs The organization must determine compensation according to the criteria. And there must be a plan first. so that the organization can control expenses Because the compensation of employees in the organization is one of the costs of the organization itself.

3. To motivate employees to work efficiently. There are many types of compensation, which produce and Employee performance directly or indirectly influences compensation. Therefore, employees try to work more. to request additional compensation

4. To create satisfaction and maintain appropriate employees in the organization

7.5.4 Personnel development policy

Due to the financial liquidity of the company which is still not stable. This has caused a slowdown in some personnel development plans. Both in terms of external and internal training. and considering improving the salary and welfare of employees. However, the company still sees the importance of developing personnel alongside the organization. Therefore, in 2023, there will be promotion of both external and internal training as follows.

- Management: Provide important training courses, including the DCP course for executives, CFO Orientation for New IPOs, Company Secretary Program, etc.

- Development of knowledge and skills specific to each line of work: providing training in various important courses, including EMT courses, M-Annual, M-Initial for company secretaries, accounting and taxation regarding expenses, payments. Statement of preparation of account closing information and presentation of financial statements in accordance with financial reporting measures before submitting financial statements, etc.

So that the company can fully take care of its personnel. The company therefore has collected accident data. and work-related illness rates, and in 2023 the company has no employees who have work-related accidents. and the rate of illness from work Because the company has provided training in the use of various tools and equipment. given to employees before starting work and have a safe place according to working standards.

7.6 Other important information

7.6.1 Company secretary

As of December 1, 2022, the Company Secretary is Mr. Kasame Chanweeratham. They are appointed by the Board of Directors. Has duties and responsibilities, namely performing duties as specified in Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2008, which came into effect on August 31, 2008, with responsibility. caution Honesty, including having to act in accordance with the law regulatory objectives Board resolution as well as the resolutions of the shareholder meeting are as follows.

Company Secretary Qualifications

1. Have knowledge and understanding of the company's business. which is related to construction contracting Management and investment
2. Understand the role and duties of the company secretary.
3. Have knowledge and understanding of the law Regulations of the SEC Office and the Stock Exchange of Thailand

4. Have knowledge and understanding of corporate governance principles and good practices. Duties and responsibilities of the company secretary are as follows

1) Prepare and maintain documents

(1) Register of directors

(2) Notice of meeting of the committee. Board meeting minutes and annual report

(3) Notice of shareholder meeting and minutes of shareholder meetings

2) Keep reports on interests reported by directors or executives. and send a copy of the report contributions of interest according to Section 89/14 must be reported to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date of receipt of the report.

3) Coordinate in various matters Between the company and related agencies

4) Provide legal and regulatory advice.

5) Take other actions As announced by the Capital Market Supervisory Board specifying other duties. As assigned

7.6.2 Auditor's remuneration

According to the resolution of the 2023 Annual General Meeting of Shareholders, it was approved to appoint an auditor from AMC Office Company Limited to be the company's auditor. and subsidiaries for the fiscal year ending 31 December 2023 are independent auditors. They are reliable and do not provide other services to the company and have no relationship or interest with the company / subsidiaries / executives / major shareholders. or anyone related to such person in any way. In this regard, the auditor proposed to be appointed as the Company's auditor this year will be performing the duties of an auditor for the first year.

The company's auditor's remuneration (Audit Fee) for the year 2023 is a total of 1,482,000 baht (the company has no other service fees besides the auditor's remuneration).

Audit fee	The fiscal year 2023	The fiscal year 2022
Hydrotek Public Company Limited	950,000	950,000
Subsidiaries Company	532,000	539,000
Other expenses	Actual	Actual
<u>รวม</u>	<u>1,482,000</u>	<u>1,489,000</u>

7.6.3 Non-audit Fee

-None-

8. Report on Significant Performance on Corporate Governance

8.1 Summary of the performance of duties of the committee in the past year.

8.1.1 Recruitment and appointment of directors and senior executives.

(1) Independent Director

As of December 31, 2023, the company has independent directors as follows:

1) Prof.Dr.Kampol	Panyagomes	Independent directors
2) Air Chief Marshal Surasak	Meemanee	Independent directors
3) Dr.Siridej	Kamsubron	Independent directors
4) Mr.Pramin	Phantawesak	Independent directors

Independent directors are important to good corporate governance. The company therefore defines the word

“Independent directors” means directors who do not perform management duties of the company, subsidiaries and joint ventures and are directors who are independent from management and controlling shareholders. and who does not have business relationships in a manner that would cause limitations in expressing independent opinions and is a director who has the following qualifications:

1) Is a person who holds shares not exceeding 0.5% of the total number of shares with voting rights in the company, affiliated company or associated company.

2) Not participating in administration Not being an employee, employee, or consultant who receives a regular salary or is not a professional service provider, an auditor, a lawyer, or a professional that causes limitations in expressing independent opinions to the Company Affiliated companies or associated companies or not being a controlling person of the company Affiliated companies or associated companies or not being a person who may have a conflict of interest and must have removed from a status or position that may cause such a conflict for 1 year or more

3) No business relationship In a manner that limits independence in performing the duties of the director position. which has an amount or value that is significantly proportional to income according to the specified criteria and has no interest or interest whether directly or indirectly Both in the financial and administrative aspects of the company Affiliates or associated companies or persons who may have conflicts of interest in a manner that would cause a lack of independence

4) Not a close relative of a senior executive Major shareholder of the company Affiliated companies or associated companies or a person who may have a conflict of interest and has not been appointed as a representative to protect the interests of the directors, major shareholders.

(2) Selection of directors and senior executives

Criteria for selecting directors

Selection of suitable persons to serve as directors of the Company in place of directors whose terms have expired is done by the Company, giving shareholders an opportunity to nominate names of persons who have qualifications according to the law on securities and the stock exchange. and according to the qualifications specified by the company to be selected as a company director, an invitation will be announced on the company's website for shareholders to nominate their names. and history of individuals entering the company and the selection committee and consider compensation will be selected and nominate persons who have appropriate qualifications according to the laws and established criteria. By considering experience, knowledge and abilities that will be beneficial to the company for the Board of Directors to consider at the Board of Directors meeting. The company has approved the resolution. A list of such people will be proposed. To request approval for election as a company director to the shareholder meeting. By requesting the resolution of the shareholders' meeting to be based on a majority vote of the shareholders who attended the meeting. and have the right to vote Including selecting company directors who are qualified to be directors in specific committees to replace the positions of specific committee members that are vacant after the annual general meeting of shareholders. and present the names to the Board of Directors' meeting. to consider and approve the next appointment.

In addition, the Company has specified the skill qualifications necessary for recruiting directors (Board Skill Matrix) in 5 areas as follows: 1) Marketing strategy 2) Accounting, finance and banking 3) Engineering 4) Legal matters related to business. 5) Risk management, in order to ensure that the composition of the Board of Directors has knowledgeable and capable committee members. and professional skills Complete according to the specified criteria which is useful in determining the strategy, policy, and direction of the company's business operations.

Board Skill Matrix

List of committee			Board Diversity					
			Position	Management/ Marketing	Accounting/ Finance	Engineering	Law	Information technology
1	Mr.Somprasong	Panjalak	Chairman				/	
2	Mr.Sukrit	Jintanakosin	Director			/		
3	Mr.Somchan	Panjalak	Director			/		
4	Mr.Pramin	Phantawesak	Director			/		
5	Air Chief Marshal Surasak	Meemanee	Director			/		
6	Prof.Dr.Kampol	Panyagomes	Director		/			
7	Dr.Siridej	Kamsubron	Director	/	/			/

8.2 Report on the results of inspections in the past year.

8.2.1 Audit Committee Meeting

(1) There shall be meetings of the Audit Committee at least 4 times per year.

(2) The committee sets a meeting schedule in advance every year.

(2.1) Audit Committee Meeting No. 1/2023 on February 28, 2023

(2.2) Audit Committee Meeting No. 2/2023 on 12 May 2023

(2.3) Audit Committee Meeting No. 3/2023 on 10 August 2023

(2.4) Audit Committee Meeting No. 4/2023 on 14 November 2023

(3) In calling a meeting of the audit committee The Chairman of the Audit Committee or the Secretary of the Audit Committee, as the person assigned, shall send a meeting notice to the Audit Committee at least 7 days before the meeting date. Except in cases of urgent necessity to preserve the benefits of the company. The meeting can be notified by other means and the meeting date can be set earlier than that.

(4) Audit committee members who have an interest in any matter must not be present at the meeting. and do not have the right to vote on that matter

(5) The Audit Committee may invite other persons, such as the President. Director, Managing Director, Deputy Managing Director Assistant Managing Director of various departments Department head Chief Internal Auditor and Auditor Attend meetings as appropriate You may also consider having a meeting. Separate together with other people If it is seen that there are specific issues or considerations that should be discussed

As of December 31, 2023, the company has an audit committee of 3 members, all of whom are independent directors, and in 2023 there will be 4 meetings, which the company secretary will organize. Send meeting invitation letter along with the meeting agenda and meeting documents for the committee to review in advance To have time to study the information before attending the meeting. Everyone can express their opinions freely and without depending on any person or group of people. Meetings and comments are clearly recorded. and in writing Details of meeting attendance are as follows:

Name	Surname	Position	Audit Committee	
			Number of meeting times	Number of meeting held
1. Air Chief Marshal	Meemanee	Chairman of the audit committee	4	4
Surasak				
2. Prof.Dr.Kamphon	Panyagomes	Audit committee	4	4
3. Dr.Siridej	Khamsuphom	Audit committee	4	4

8.2.2 Scope of powers, duties and responsibilities of the Audit Committee

- 1) Review for the company Financial reporting is accurate and adequately disclosed. By coordinating with External auditors and executives are responsible for preparing both quarterly and annual financial reports. The Audit Committee may recommend that the auditor review. or check any items that are considered necessary and important during the audit of the company's accounts.
- 2) Review for the company There is an appropriate and effective internal control system and internal audit system. By reviewing together with external auditors and internal auditors. and consider the independence of the internal audit department. As well as giving approval in considering the appointment, transfer, and termination of the head of internal audit. or any other agency responsible for internal auditing.
- 3) Review the company's operations. To be in accordance with the law on securities and stock exchange. Stock Exchange Requirements and laws related to the company's business.
- 4) Consider, select, and propose the appointment of an independent person to act as the company's auditor. Including considering the proposed remuneration of the auditor. Taking into account reliability adequacy of resources and the amount of audit work of the auditing office Including the experience of personnel assigned to audit the Company's accounts to present to the Board of Directors for appointment at the general meeting of shareholders. In addition, the Audit Committee is responsible for attending meetings with the auditors by There is no management attending the meeting at least once a year.

5) Consider connected transactions or transactions that may have conflicts of interest. Including considering and approving such transactions to present to the Board of Directors' meeting and/or the shareholders' meeting of the Company in accordance with the law and regulations of the Stock Exchange, in order to ensure that such transactions are reasonable and beneficial. Maximum per company.

6) Consider and review the financial management policy, and risk management as assigned by the Board of Directors and the Audit Committee approved.

7) Prepare a report on corporate governance of the Audit Committee and disclose it in the company's annual report. By having the chairman of the audit committee sign the report, and must contain the following information.

(a) An opinion on the accuracy, completeness, and reliability of the Company's financial reports.

(b) Opinions on the adequacy of the company's internal control system.

(c) Opinions regarding compliance with the law on securities and exchange. Stock Exchange Requirements or laws related to the company's business

(d) Opinion on the suitability of the auditor.

(e) Opinions on transactions that may have conflicts of interest.

(f) Number of audit committee meetings, and attendance of meetings of each audit committee member

(g) Overall opinions or observations received by the Audit Committee in performing their duties in accordance with this Charter.

(h) Other items that shareholders and general investors should know. Under the scope of duties and responsibilities assigned by the Board of Directors

8) Perform any other duties as assigned by the Board of Directors with the approval of the Audit Committee.

In performing tasks according to the scope of duties and responsibilities The Audit Committee shall have the authority to invite relevant management, executives, or employees of the company to report. Give opinions at the meeting or send documents that are considered relevant and necessary

In performing the duties of the Audit Committee The Audit Committee is directly responsible to the Board of Directors. And the Board of Directors still has responsibility for the Company's operations, to outsiders. The Board of Directors has the authority to amend and change the scope of authority and duties of the Audit Committee as necessary or appropriate.

8.3.1 Sub-committees

Management structure of the company Consisting of the Board of Directors and a total of 4 sub-committees, including the Audit Committee Risk Management Committee and the Nomination and Remuneration Committee Executive Committee with a list of sub-committees and scope of authority as the following details.

Audit Committee

As of December 31, 2023, the company has an audit committee of 3 members, consisting of:

- | | | |
|------------------------------|------------|---|
| 1) Prof.Dr.Kampol | Panyagomes | Audit Committee/Independent directors |
| 2) Air Chief Marshal Surasak | Meemanee | Chairman of Audit Committee/Independent directors |
| 3) Dr.Siridej | Kamsubron | Audit Committee/Independent directors |

Scope of powers, duties and responsibilities of the Audit Committee

1) Review for the company Financial reporting is accurate and adequately disclosed. By coordinating with external auditors and executives responsible for preparing both quarterly and annual financial reports, the Audit Committee may recommend that the auditor review or check any items that are considered necessary and important during the audit of the company's accounts

2) Review for the company There is an appropriate and effective internal control system and internal audit system. By reviewing together with external auditors and internal auditors. and consider the independence of the internal audit department. As well as giving approval in considering the appointment, transfer, and termination of the head of internal audit. or any other agency responsible for internal auditing

3) Review the company's operations. To be in accordance with the law on securities and stock exchange. Stock Exchange Requirements and laws related to the company's business

4) Consider, select, and propose the appointment of an independent person to act as the company's auditor. Including considering the proposed remuneration of the auditor. Taking into account reliability adequacy of resources and the amount of audit work of the auditing office Including the experience of personnel assigned to audit the company's accounts. To present to the Board of Directors for appointment at the general meeting of shareholders. In addition, the Audit Committee has a duty to attend a meeting with the auditor without the management attending at least once a year.

5) Consider connected transactions or transactions that may have conflicts of interest. Including considering and approving such transactions to present to the Board of Directors' meeting and/or the shareholders' meeting of the Company in accordance with the law and regulations of the Stock Exchange, in order to ensure that such transactions are reasonable and beneficial. Maximum per company

6) Consider and review the financial management policy. and risk management as assigned by the Board of Directors and the Audit Committee approved

7) Prepare a report on corporate governance of the Audit Committee and disclose it in the company's annual report. By having the chairman of the audit committee sign the report. and must contain the following information

- (a) An opinion on the accuracy, completeness, and reliability of the Company's financial reports.
- (b) Opinions on the adequacy of the company's internal control system.
- (c) Opinions regarding compliance with the law on securities and exchange. Stock Exchange Requirements or laws related to the company's business
- (d) Opinion on the suitability of the auditor.
- (e) Opinions on transactions that may have conflicts of interest.
- (f) Number of audit committee meetings. and attendance of meetings of each audit committee member
- (g) Overall opinions or observations received by the Audit Committee in performing their duties in accordance with this Charter.
- (h) Other items that shareholders and general investors should know. Under the scope of duties and responsibility received

Assigned by the Board of Directors

8) Perform any other duties as assigned by the Board of Directors with the approval of the Audit Committee.

In performing tasks according to the scope of duties and responsibilities The Audit Committee shall have the authority to invite relevant management, executives, or employees of the company to report. Give opinions at the meeting or send documents that are considered relevant and necessary

In performing the duties of the Audit Committee The Audit Committee is directly responsible to the Board of Directors. And the Board of Directors still has responsibility for the Company's operations. to outsiders. The Board of Directors has the authority to amend and change the scope of authority and duties of the Audit Committee as necessary or appropriate.

8.3.2 Risk Management Committee

As of December 31, 2023, the Company has a Risk Management Committee of 3 members, consisting of:

1	Air Chief Marshal Su-rasak	Meemanee	Chairman of the risk management committee/ Independent directors
2	Mr.Sukrit	Jintanakosin	Risk management committee
3.	Mr.Somchan	Panjalak	Risk management committee

Risk management policy

1) Promote and develop executives and employees have knowledge and understanding and realize the importance of risk management In order to have a framework for managing and reducing risks that may occur systematically and continuously for the entire company.

2) Prescribe risk management in the form of prevention, correction, and improvement in a correct, transparent manner on a regular basis.

3) Promote risk management as part of the operational plan within the organization. Both in terms of planning, strategy, and operations. Money management and investment

4) Promote continuous development of the risk management process. Including monitoring, evaluating, summarizing results and preparing risk management reports. To present to the Board of Directors

5) Set the risk management process to be of the same standard throughout the organization.

Scope, powers, duties and responsibilities of the Risk Management Committee

1) Establish criteria used to assess the level of risk in construction contracting, service provision, and investment of the Company in both volumes. and quality appropriately and effective Including determining the level of risk that is acceptable (Risk Limited)

2) Consider risk factors Risk management processes and plans to be consistent with the Company's operations by covering Credit Risk, Operations Risk, Liquidity Risk, and other risks. Any other

3) Evaluate risk levels, rank them, set risk management guidelines and strategies. To keep the risk at an acceptable level

4) Risk assessment report and operations to reduce risks to the Board of Directors every time they have a meeting.

5) Consider and review guidelines for effective risk management.

6) Follow up on risk assessment results in both normal and crisis situations.

7) The Risk Management Committee has the authority to invite executives. or related persons Attend the meeting to clarify additional information.

8) The Risk Management Committee has the right to seek advice from experts to help them perform their duties according to the Charter efficiently at the Company's expense.

8.3.4 Nomination and Remuneration Committee

As of December 31, 2023, the Company has a Nomination and Remuneration Committee of 5 members, consisting of:

1	Prof.Dr.Kamphon Panyagomes	Chairman of the nomination and remuneration committee/ Independent directors
2	Air Chief Marshal Surasak Meemanee	Nomination and remuneration committee/ Independent directors
3	Dr.Siridej Khamsuphom	Nomination and remuneration committee/ Independent directors
4	Mr.Sukrit Jintanakosin	Nomination and remuneration committee
5	Mr.Somchan Panjalak	Nomination and remuneration committee

Scope, powers, duties and responsibilities of the Nomination and Remuneration Committee

The company has an appropriate and transparent personnel selection plan. To make the company Get professional executives and can be managed independently from major shareholders or any one of them The selection committee prepares the succession plan for senior executives, including the Chief Executive Officer. President and Deputy Managing Director To propose to the Board of Directors for consideration.

Recruitment

1) Determine the qualifications of persons who will serve as directors of the company. and the selection process to replace directors whose terms have expired or in other cases Considering specific skills, experience, and abilities.

2) Consider recruiting qualified individuals to serve as company directors. Replacement of directors whose terms have expired or in other cases To propose to the Board of Directors and/or the shareholders' meeting for consideration and approval.

3) Create a succession plan for the position of Chief Executive Officer. Managing Director and Deputy Managing Director To propose to the Board of Directors for consideration and approval.

4) Perform other duties As assigned by the Board of Directors

Consideration of remuneration

- 1) Propose guidelines and methods for paying remuneration to the Board of Directors and sub-committees appointed by the Board of Directors. This includes a monthly stipend. and special compensation or annual bonus
- 2) Consider the budget for wage increases. Changes in wages and rewards The annual salary of the organization before submission to the Board of Directors
- 3) Report progress and performance results to the Board of Directors after every meeting of the Compensation Committee.
- 4) Perform other duties As assigned by the Board of Directors
- 5) Nomination Committee and consider compensation and have the authority to invite executives or related persons Attend the meeting to clarify additional information.
- 6) Nomination Committee and considering compensation have the right to seek advice from experts to help them perform their duties according to the charter efficiently at the Company's expenses.

Recruitment and appointment of the Board of Directors and sub-committees

Composition and selection of the Board of Directors

1. The Company's Board of Directors consists of at least 5 directors and not less than half of the total number of directors must reside in the Kingdom. and directors of the company Must have the qualifications as specified by law.
2. The shareholder meeting elects directors using a majority vote. According to the following criteria and methods
 - 2.1 One shareholder has one vote per share.
 - 2.2 Shareholders vote to elect directors individually.
 - 2.3 Persons who receive the highest number of votes in descending order are elected as directors, equal to the number of directors that will be available. or there will be an election at that time In the event that the persons elected in descending order have the same number of votes, the number of directors will be exceeded. or there will be an election at that time The chairman of the shareholder meeting shall have the deciding vote.
3. At every annual general meeting of shareholders 1/3 of the directors shall retire from office. If the number of directors cannot be divided exactly into three parts, then the number closest to 1/3 shall be removed. In this regard, directors who must retire from office in the first year and the second year after. Register that company Use the method of drawing lots to determine who will leave. In subsequent years, the directors who have been in office the longest will be the ones to leave their positions. Directors who retire by rotation may be re-elected to hold new positions.
4. In addition to retiring from office at the end of the term Directors will vacate their position upon death, resignation, lack of qualifications, or having characteristics prohibited by law. The shareholder meeting voted to remove him. and the court ordered him to leave

5. Any director who wishes to resign from his position must submit a resignation letter to the company. The resignation will be effective from the date the resignation letter reaches the company.

6. In the case where the position of director is vacant for reasons other than retirement at the end of the term. The committee will select a person who has the qualifications. and does not have prohibited characteristics according to law to act as a replacement director at the next meeting of the board of directors Unless the director's term is less than 2 months remaining, the person who becomes the replacement director will hold the position of director only for the remaining term of the director he or she replaces. The resolution of the board of directors according to the above must consist of votes of not less than three-fourths of the number of remaining directors.

7. The shareholder meeting may vote to remove any director from his position before the end of his term with a vote of not less than three-fourths of the number of shareholders who attend the meeting and have the right to vote. and have shares totaling not less than half. of the number of shares held by shareholders who attended the meeting and had voting rights

8. The board of directors shall elect one director to be the chairman of the board. and in the case where the committee considers it appropriate one or more directors may be chosen to be vice-chairmen of the board. The committee may assign one or more directors to perform any task on behalf of the committee.

In addition, according to the company's regulations Also specify the requirements. Concerning the performance of duties of the Board of Directors as follows:

1. Directors are prohibited from becoming partners in a general partnership. or being a partner with unlimited liability in a limited partnership operate business or become a director in a private company or other company that conducts business of the same nature. and is in competition with the Company's business. unless the shareholder meeting is informed before the appointment resolution is made.

2. Directors must perform their duties in accordance with the law, objectives and company regulations. as well as the resolutions of the shareholders' meeting with honesty and integrity and carefully protect the interests of the company

3. Directors must inform the company. Know without delay In the event that a director has an interest, whether directly or indirectly, in any contract that the company makes during the fiscal year. or hold shares or debentures in the company and affiliated companies It specifies the total amount that increased or decreased during the fiscal year.

Composition and recruitment of the audit committee

Company Audit Committee Must be a company director appointed by the board of directors. and approved by the company's shareholders and have qualifications as required by the Securities and Exchange Act, including announcements, rules and/or regulations of the Stock Exchange. The Board of Directors appoints the Audit Committee. It consists of at least 3 members, all of whom must be independent directors. At least 1 member of the audit committee must be knowledgeable. and sufficient experience to be able to perform the duty of reviewing the reliability of financial statements. The Audit Committee has a term of office of 3 years, except in the case of retirement according to the Company's regulations. who may be elected to a new position

Qualifications of the independent committee

Independent directors of the company Everyone has the qualifications as specified in the announcement of the Capital Market Supervisory Board No. TorChor. 39/2016 regarding requesting permission. and permission to offer newly issued shares for sale (including amendments and additions) and regulations issued by the Office of the Securities Commission and the stock exchange and the Stock Exchange of Thailand as specified:

- Hold shares not exceeding 1 percent of the total number of shares with voting rights of the company, parent company, subsidiary company, associated company, major shareholder. or those with controlling authority of the company, including the shareholding of related persons of that independent director as well.

- Not be or have ever been a director who participates in management, an employee, a staff member, or an advisor who receives a regular salary. or controlling persons of the company, parent company, subsidiaries, associated companies, same-level subsidiaries Major shareholders or of the controlling person of the company Unless it has been free from having the aforementioned characteristics for not less than 2 years.

- Not a person related by blood. or by legal registration as father, mother, spouse, sibling, and child, including the child's spouse of other directors, executives, major shareholders controlling person or persons who will be proposed to be directors, executives, or persons with controlling authority of the Company or subsidiary company

- Do not have or have ever had a business relationship with the company, parent company, subsidiary company, associated company, major shareholder. or the controlling person of the company in a manner that may impede the exercise of independent judgment Including not being or having never been a significant shareholder. or controlling persons of those who have business relationships with the company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the company Unless it has been free from having the aforementioned characteristics for not less than 2 years.

business relationships as mentioned Including commercial transactions that are carried out It is normal to conduct business. Renting or leasing real estate Transactions regarding assets or services, or giving or receiving financial assistance by receiving or lending, guaranteeing, giving assets as collateral for debts including other similar circumstances As a result, the Company or the contracting party has a debt burden that must be paid to the other party. From 3 percent of the company's net tangible assets or from 20 million baht or more. Whichever amount is lower, the calculation of such debt burden shall be in accordance with the method for calculating the value of connected transactions according to the announcement of the Capital Market Supervisory Board regarding the criteria for conducting connected transactions, mutatis mutandis. But in considering the burden Such debt Include debt obligations incurred during the 1 year preceding the date of having a business relationship with the same person.

- Not be or have ever been an auditor of the company, parent company, subsidiary company, associated company, major shareholder. or the controlling person of the company and not being a significant shareholder controlling person or partner of the audit firm which includes the auditors of the company, parent company, subsidiaries, associated companies, and major shareholders or a person with controlling power of the company affiliated with, unless they have been free from having such characteristics for not less than 2 years.

- Not be or have ever been a professional service provider. This includes providing services as a legal advisor or financial advisor. which receive service fees in excess of 2 million baht per year from the company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the applicant and not being a significant shareholder controlling person or a partner of that professional service provider as well Unless it has been free from having the aforementioned characteristics for not less than 2 years.

- Not being a director appointed to represent the company's directors. Major shareholders or shareholders who are related to the major shareholders

- Do not operate a business with the same conditions. and is in significant competition with the Company's business. or subsidiary company or not being a significant partner in the partnership or being a director who participates in management, an employee, a staff member, or a consultant who receives a regular salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other companies. which operates a business that has the same nature and is in significant competition with the business of the Company. or subsidiary company

- Do not have any other characteristics that prevent you from giving independent opinions regarding the Company's operations.

- Not being a director who has been assigned by the Board of Directors to make decisions on the operations of the Company, subsidiaries, associated companies, and subsidiaries in the same order. Major shareholders or the controlling person of the company and

- Not be a director of the parent company, subsidiary company, or same-level subsidiary company only that is a listed company.

2. Be independent from the management department and major shareholders of the company. And there is no independent director holding a directorship position in more than 5 domestic listed companies.

3. Independent directors should hold office for no more than 3 years each and should not hold office for more than 3 consecutive terms. Unless the board has carefully reviewed the independence of the independent director and has deemed it appropriate to continue in the position. By disclosing the said reasons to shareholders.

Qualifications of the Audit Committee

1. Not being a director assigned by the board of directors. Make decisions on the operations of the company, parent company, subsidiary company, associated company, same-level subsidiary company. Major shareholders or the controlling person of the company

2. Not being a director of the parent company, subsidiary company or same-level subsidiary company. Only listed companies

3. Have sufficient knowledge and experience to be able to act as an audit committee member. There must be at least one audit committee member who has sufficient knowledge and experience to be able to perform the duty of reviewing the reliability of the financial statements. can

4. Have duties in the same manner as specified in the announcement of the Stock Exchange of Thailand regarding qualifications and scope of work of the Audit Committee.

Composition and selection of the Risk Management Committee

The Risk Management Committee must be company directors. appointed by the Board of Directors, consisting of the Executive Committee and at least 1 independent director, with the number as the Board of Directors deems appropriate. The person holding the position of Chairman of the Risk Management Committee is an independent director. The Risk Management Committee has a term of office of 3 years. When the term expires, it may be considered for appointment to continue in the position.

Qualifications of the Risk Management Committee

1. Appointed by the Board of Directors to be a member of the Risk Management Committee
2. Have sufficient knowledge and experience to be able to perform duties as a member of the Risk Management Committee.
3. Not in a manner that is restricted in the scope of giving independent opinions regarding risk considerations.
4. Independent directors or executive directors hold the position of chairman of the Risk Management Committee.

Composition and selection of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee must be company directors. who are appointed by the Board of Directors or the company's shareholder meeting with a majority of independent directors And arrange for meetings of the Selection and Compensation Committee at least twice a year. The Selection and Compensation Committee has a term of office of 3 years. When the term expires, they may be considered for appointment to continue their position.

Qualifications of the Nomination and Remuneration Committee

1. Appointed by the Company's Board of Directors or the Company's shareholder meeting.
2. Not in a manner that will be limited in the scope of giving independent opinions regarding the consideration of forms and criteria for remuneration of directors and senior executives.

Composition and recruitment of the executive committee

The Executive Committee must be company directors and/or company executives. who are appointed by the Board of Directors The number is as the Board of Directors deems appropriate. and whereby the Board of Directors will appoint one executive director to be the executive chairman.

Supervision of operations of subsidiaries and associated companies

The Board of Directors has a governance mechanism that allows it to oversee the management and be responsible for the operations of subsidiaries and associated companies. To protect the interests of the Company's investments under the law, objectives and regulations of the Company. Including supervising the company and its subsidiaries to comply with the regulations of the Stock Exchange of Thailand. By the operations of the Board of Directors in supervising and controlling Manage and be responsible for the operations of the company and its subsidiaries. Can be summarized into the following important points:

1. Sending individuals to represent the company as directors, executives, or persons with controlling power in subsidiaries and associated companies in proportion to their shareholding in such companies. The Board of Directors will consider and approve the appointment of individuals who will represent the Company. in subsidiaries and associated companies, including the powers, duties, and responsibilities of directors and executives By persons appointed as directors in subsidiaries or associated companies Has a duty to act in the best interests of the subsidiary or associated company. and has determined that the person appointed Must receive approval from the Board of Directors before voting. or exercise voting rights on

important matters at the same level that must be approved by the Board of Directors. If it is carried out by the company itself

Including the scope of authority, duties and responsibilities of the directors and executives representing the company in the said company in controlling or participating in determining policies that are important to the Company's operations. business ninja

2. Control and supervise the business operations of subsidiaries. and associated companies To be in accordance with business policies, goals, operational plans, strategies, and budgets as approved. and report on operating results and financial status of subsidiaries Present to the Board of Directors for acknowledgment on a regular basis.

3. Setting policies that are important to the business operations of subsidiaries and associated companies. It must be presented to the Board of Directors for approval before being submitted for approval to the Board of Directors of the subsidiary or associated company. In order to supervise the operations of subsidiaries and associated companies to be efficient and consistent with the Company's operating principles.

4. Investment approval Making related transactions Making transactions on the acquisition or disposal of property or any other important transactions of subsidiaries that significantly affect the business operations of subsidiaries and associated companies Must be approved by the Board of Directors.

5. Disclosure of financial status and operating results Transactions between subsidiaries with related persons Acquisition or disposal of assets or making any other important transactions of the said company completely and correctly. and use the criteria related to disclosure of information and transactions in the manner mentioned above in the same manner as the Company's criteria.

6. Audit Committee Consider reviewing the accuracy and reliability of financial reports. Review the internal control system internal audit Making transactions between each other Compliance with laws and regulations Related regulations Including supervision of operations of subsidiaries and associated companies.

7. Risk Management Committee Consider and scrutinize risk management policies and guidelines. Including evaluating the risk management performance of subsidiaries and associated companies.

9. Internal control and related transactions

internal control

Internal control refers to the processes which are designed by the Board of Directors. Corporate executives Its main objective is to create reasonable confidence in the following matters:

1. Operational aspect Internal control strives to ensure efficient operations. and it is worthwhile to use all types of resources of the organization including people, money, time, property, materials, tools, and appliances to be efficient, economical and worthwhile. and achieve the goals set by the organization's executives, which will result in the organization being profitable. and prevent and maintain all types of resources in a condition that is ready for use. and to be free from leaks, wastage, waste, or dishonest actions of employees or executives, and if damage occurs Whether it is a waste or an act with dishonest intentions, it helps to know the damage.

2. Financial reporting Financial statement reports, whether used internally or externally, must be reliable. and timely so that it is a report that is presented as a report that is presented to business investment decisions of executives, creditors, shareholders, and general investors.

3. Compliance with rules, regulations, and policies. Work operations or business operations are consistent with or in accordance with legal provisions or requirements, policies, rules, regulations, projects, or plans. Resolutions of the company's board of directors, executives, or other management organizations related to operations or related to business operations to prevent any damage from refraining from complying with the rules Those regulations

Internal control and risk management

Audit Committee Realized the importance of internal control systems for effective operations. The Audit Committee is assigned the duty of reviewing the internal control system. To ensure that the internal control system is adequate. and suitable for conducting business Including promoting and pushing for work to be in accordance with regulations. and various regulations As required by law, the Company has used the Office of the Securities and Exchange Commission's assessment of the adequacy of the internal control system. in continuous risk management and an adequate internal control system covering all 5 areas

- (1) Organization and environment
- (2) Risk management
- (3) Controlling the operations of the management team
- (4) Information and data communication systems
- (5) Tracking system The main points can be summarized as follows:

1. Organization and environment

The company has set goals. and business plan to create business stability And work processes have been developed to be efficient. To respond to business changes and has an organizational structure for flexible operations There is a chain of command, approval authority, and responsibility to control. and reduce the risk that may arise from conflicts of interest. In addition, the company has separated duties and responsibilities into three areas that are the basis of the internal control system, namely approval duties. Duties in recording accounting transactions and information and the duties of inspecting and taking care of assets are clearly separated from each other It is determined from the executive level. and employees follow the authority to approve and carry out operations and operating procedures of each department

2. Risk management

The company has a risk management committee. The risk management department reports directly to the Risk Management Committee. In 2023, 2 meetings were held to assess risks in business operations. Both internal and external factors as well as analyzing the causes and factors that cause risk By preventing risks. or reduce the risk to an acceptable level The company has created a policy. and set plans To put risk management into practice seriously There is also monitoring of management. Risks of various departments within the organization. The Risk Committee meeting invited representatives from various departments. in the organization to present operations and follow up on risk management guidelines so that the risk committee heard the problem as well as giving observations or suggestions for further work Including training to provide knowledge about risk management methods for modern organizations by allowing executives and employees to attend training To have more knowledge and understanding.

3. Controlling the operations of the management department

The company has established a work manual. which is used as a framework for setting operational guidelines to be systematic and efficient and reduce the risk of loss that may occur in the operating activities of various departments. The company also has regulations for decentralizing the company's power. To determine the scope of duties and approval authority of the management at each level clearly stated in writing in order to achieve balance. and there are appropriate and adequate controls, and the responsibilities for each duty are appropriately defined. and be effective in working Follow up and supervise the operations of the company. regularly participate. In addition, the Audit Committee has considered and reviewed and approve the annual audit plan by the committee to establish an internal audit unit that is independent in performing its duties. Is responsible for inspecting control systems and reviewing important systems at least once a year to cover operational processes that are at risk. Make sure that various departments There is adequate supervision of operations, both financial and financial. Operation Compliance with laws, rules and regulations In the case of transactions with related parties in a manner that is binding on the company Operations Management Department It is responsible for closely monitoring transactions.

according to the specified approval process which must comply with relevant regulations. The stakeholders must not participate in approving that item, and must report to the Audit Committee. To review the suitability of the item. In addition, to prevent related parties from using the company's benefits for personal use.

Control activities

1. Policies and plans

Policy setting by executives is a tool that determines the direction of the organization and helps in organizing, directing, supervising, monitoring, and evaluating organizational performance. It is necessary to set various short-term and long-term plans, and constantly improving it to be consistent with the situation, as well as providing a system for periodically reporting performance results to measure past performance and improve it.

2. Review of top management

Review means Activities controlling activities that are used by top management. Using analytical methods to compare actual results with plans, budgets, or estimates. This has been scheduled in advance. The results of the review will give the top executives an overall view of what problems there are in operations. It also helps to know the cause. Which leads to the cause of finding a way to solve the problem.

3. Review of middle management

Middle management refers to executives who are responsible for any aspect of work within the organization, such as procurement, production, sales, finance, accounting, etc. Middle management should review reports on the performance of various operational staff. Work for which they are responsible

4. Data processing

Information includes Accounting information and other information which are all necessary for management information

They are compiled into information or reports that must be used to make administrative decisions. Therefore, it is very necessary to have good business controls in the organization.

Using computers for processing It has an impact on the accounting system, and internal control system. The reliability of the data depends on the control at each step of the processing.

- Importing data In the case where data in each part of the organization can be automatically linked to each other. Controls at the data import section must be tight.
- Processing: Programs used in processing must be tested for efficiency and completeness before being actually used. If the information communicated in the organization is accurate, complete and processed correctly. The results sent to other departments will be effective results for operations to achieve further goals.

- Information received It is important to control that people who do not have relevant duties handle and access information. Information received It should only be sent to people who have been given permission to use it.

5. Physical control

Physical control refers to the protection of assets, including tools, equipment, inventories, cash, securities, documents and other important documents. Organizational assets and information should be well preserved. To prevent loss or theft

6. Segregation of duties

That is, allocating duties between people or departments to ensure accuracy and completeness between each other. Segregation of duties should be used in cases where the work is at risk of error or damage. Due to inappropriate actions or easily dishonest If a single person or agency is arranged to perform that work alone from beginning to end according to the nature of work required.

7. Performance Indicators

Used as a tool to measure performance in the form of various ratios that show the relationship between one financial or operational data and another. Tracking and analyzing the movement of ratios or the trend of change in the value of the calculated ratio. It will help tell you the symptoms of the business in what condition it is currently in.

8. Documentation of evidence

The organization is interested in preparing documentary evidence. For any operations or systems that are important, there should be a division to document evidence. or prepared in writing.

9. Independent performance audit

Approval of accounting transactions and operations helps ensure that transactions and events are reviewed and controlled by authorized persons.

10. Independent performance audit

Ensuring that there is an independent audit of operations. Helps prevent corruption or errors that may occur from not following the prescribed procedures. The person performing the review should be independent of the person responsible for preparing the information.

4. Information and communication systems

The company places importance on information systems and data communication both internally and externally. which is an important factor in acknowledging performance results For the Board of Directors to use for consideration along with supporting documents for various agenda items. The meeting invitation letter and supporting documents for decision making are sent at least 7 days in advance, with the company secretary coordinating and sending the information to the board of directors. and record minutes of the Board of Directors' meetings as well as inquiries and observations of the committee on matters considered Including opinions of directors in meetings. In addition, the company has continuously developed its information and data systems by using the ERP system (mango) to manage information systems in accounting, finance, purchasing, engineering and property systems. To be efficient and consistent with the needs of the business Make work more efficient Such a system specifies the right to access information only for those with responsibility.

5. Tracking system

The company has a system for supervising and monitoring compliance with objectives, policies, and regulations. Related laws and regulations as well as the company's internal control system As for the Audit Committee, in 2023 the Company held a total of 4 Audit Committee meetings. The Audit Committee is responsible for reporting the audit results to the Board of Directors every quarter. In addition, the Internal Audit Department has been assigned to perform duties. examine Monitor and evaluate performance regularly. By reporting the results and making recommendations to the management to make improvements so that the company has appropriate internal controls. The internal audit department operates independently. Under the supervision of the Audit Committee If any material defects are discovered It will be reported to the Audit Committee and/or the Board of Directors. to consider ordering further corrections In addition, the company has assigned an internal audit department to regularly monitor internal controls. To provide transparency and good corporate governance.

Risk Policy and Management

The Risk Management Committee sets the risk management policy framework. Evaluated from risks arising from external factors, and internally that affect the company and manage risks to an acceptable level. The Risk Management Committee will monitor, evaluate, and analyze the risk management process in each area. To continuously develop operational efficiency and ensure that risk management is appropriate for the business being carried out and consistent with the goals. The main mission of the organization. Risk management is the responsibility of everyone in the organization. In 2023, a risk management meeting was held. Acknowledgement of risk operations. Various risk management continuously. The Risk Management Committee has a role in approving the risk management plan, review and improve policies to suit the company's environment.

Related Party transactions

Related Company	Nature of Relationship	Transaction	Amount of the Transaction (Baht)		Necessity and Rationality of the Transaction
			Year 2022	Year 2023	
Hydro – Chaisalit Joint Venture	Hydrotek PCL has 100% proportion with fully authorized	Short term loan Accrued interest Other income Interest income Interest Expense	15,574,381.21 3,413,688.35 355.41 120,000.00 59,883.11	15,311,899.12 3,490,671.50 355.41 120,000.00 76,983.15	Hydro - Chaisalit joint venture was established for Naresuan University Project which started since 2014 and finished in 2016 with contact amount of 246 million Baht and gross profit margin of the project was 8.5%. The Audit Committee considered the rationality of acceptance. <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project and was in line with the condition of general business.
Hydrotek Utility Company Limited	Hydrotek PCL has 100% proportion with fully authorized	Other receivables	156,936.76	181,825.11	Established to receive project work Chiang Mai Municipality started the project in 2015. The project ended when construction began, 18 months after construction approval was received. Project value 285 million baht, gross profit margin 10 percent, with the audit committee considering reasonableness of accepting work <u>Opinion of the Audit Committee</u> The Audit Committee has considered the above transactions. It is considered that the transaction occurred reasonably and according to normal commercial conditions.

Related Company	Nature of Relationship	Transaction	Amount of the Transaction (Baht)		Necessity and Rationality of the Transaction
			Year 2022	Year 2023	
Sahahydro Joint Venture	Hydrotek Public Company Limited has 100% proportion with fully authorized	Accrued interest	903,437.00	903,437.00	Established to accept construction projects to improve and expand the Provincial Waterworks Authority branches. Chaiyaphum (Ban Khwao), project value 522,242,000 baht, project start in 2018, project end in 2019, gross profit 3.81 percent, with the audit committee considering the reasonableness of accepting the work. <u>Opinion of the Audit Committee</u> The Audit Committee has considered the above transactions. It is considered that the transaction occurred reasonably and according to normal commercial conditions.
		Other receivables	86,255,058.99	59,864,532.34	
		Allowance for expected credit loss	(44,230,000.00)	(49,000,000.00)	
		Other receivables	103,494.70	103,494.70	
		Other income	3,187,319.94	2,625,791.64	
		Expected credit loss	33,530,000.00	4,770,000.00	
Hydro-Rinrat Joint Venture	Hydrotek Public Company Limited has 100% proportion with fully authorized	Other receivables	104,897,219.96	133,732,978.86	Established to accept the construction project to improve and expand the Provincial Waterworks Authority, Rangsit Branch, Thanyaburi-Lam Luk Ka-Khlong Luang District, Pathum Thani Province, Part 2, project value 470 million baht, project started in Nov. 2020, period 500 days, gross profit 5.80 percent
		Allowance for expected credit loss	-	(700,000.00)	
		Other income	4,371,749.35	3,462,771.56	
		Expected credit loss	-	700,000.00	

Related Company	Nature of Relationship	Transaction	Amount of the Transaction (Baht)		Necessity and Rationality of the Transaction
			Year 2022	Year 2023	
					<u>Opinion of the Audit Committee</u> The Audit Committee has considered the above transactions. It is considered that the transaction occurred reasonably and according to normal commercial conditions.
Prime road power PCL.	Co-Chairman of Board of Directors	Other receivables Other income	39,304.16 471,931.39	78,139.16 482,243.09	Rent office area at TP&T building Floor 14 Sized 93.513 square meters <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project and was in line with the normal condition of business.
Sahahydro Pathumthani 2 joint venture	Hydrotek Public Company Limited has 100% proportion with fully authorized	Other receivables	200.00	200.00	Sahahydro Pathumthani 2 joint venture was established for the Provincial Waterworks Authority in Rungsit Project with contact amount 482 million baht. . The project started in November 2020 and the contact periods 500 days <u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project and was in line with the normal condition of business.

Related Company	Nature of Relationship	Transaction	Amount of the Transaction (Baht)		Necessity and Rationality of the Transaction
			Year 2022	Year 2023	
Prime-Hydro Construction Joint Venture	Hydrotek Public Company Limited holds 49% of shares and has company directors. is full of authority	Other receivables Other income	4,667,250.47 50,000.00	7,090,149.23 1,472,480.10	Established to accept joint projects between the Government of the Kingdom of Thailand and the Government of the People's Republic of China in developing the high-speed rail system To connect the Bangkok - Nong Khai region (Phase 1 Bangkok - Nakhon Ratchasima) Contract 4-7, civil works for the Saraburi - Kaeng Khoi section, contract value 684 million baht, project start 4 July 2022, duration 557 days. <u>Opinion of the Audit Committee</u> The Audit Committee has considered the above transactions. It is considered that the transaction occurred reasonably and according to normal commercial conditions.
Mr.Somprasong Panjalak	Chairman of the board	Loan from Director Accrued interest Interest expenses	- - -	7,000,000.00 184,876.71 184,876.71	Loans from directors To provide working capital for operations of affiliated companies. <u>Opinion of the Audit Committee</u> The Audit Committee has considered the above transactions. It is considered that the transaction occurred reasonably and according to normal commercial conditions.
Sahakorn Wisavakorn Co., Ltd.	Joint venturer of Sahahydro Joint Venture	Other payables Accrued expenses	758,415.20 966,134.00	2,119,976.93 1,258,424.68	Sahahydro joint venture used the letter of guarantee of Sahakorn Wisavakorn Co., Ltd. The company was billing with a half of bank fee.

Related Company	Nature of Relationship	Transaction	Amount of the Transaction (Baht)		Necessity and Rationality of the Transaction
			Year 2022	Year 2023	
					<u>Opinion of the Audit Committee</u> The Audit Committee already considered the rationality of this project and was in line with the normal condition of business.
Acme Ennergy Development Co.,Ltd.	Co - Director	Loan from Director Accrued interest Interest expenses	- - -	4,950,000.00 44,753.42 44,753.42	Loans from directors To provide working capital for operations of affiliated companies. <u>Opinion of the Audit Committee</u> The Audit Committee has considered the above transactions. It is considered that the transaction occurred reasonably and according to normal commercial conditions.

Opinion of the Audit Committee

The Audit Committee of Hydrotek Public Company Limited held a meeting No. 2/2024 where the Audit Committee considered and gave opinions on related transactions between the Company and persons who may have conflicts of interest. have a vested interest or there may be conflicts of interest in the future According to the announcement of the Securities and Exchange Commission which the meeting had already considered There was a unanimous resolution that Such related transactions are reasonable transactions. Other conditions are set that are fair and are normal business transactions. and has not provided any benefits to those involved or who may have conflicts in any way.

Policies or trends in entering into related transactions Including the acquisition or disposal of assets of the company in the future.

The meeting considered and unanimously resolved to set a policy for future related transactions that There must be an examination by the Audit Committee and/or the Board of Directors regarding the reasonableness of entering into the transaction. Checking the prices and various conditions of the items to see if they are in line with normal business conditions or not. And the Audit Committee will oversee that the company complies with the laws regarding securities and the stock exchange. Announcement of the Capital Market Supervisory Board Including regulations, announcements, orders or requirements of the Stock Exchange of Thailand. Including compliance with regulations regarding disclosure of information regarding connected transactions. and the acquisition or disposal of assets of the company or subsidiaries (if any), including compliance with accounting standards set by the Federation of Accounting Professions.

In this regard, if there are related transactions between the company or its subsidiaries Happens to a person who may have a conflict of interest. have a vested interest Or there may be conflicts of interest in the future. The Company will have the Audit Committee give opinions on the necessity of entering into the transaction and the appropriateness of the price of the transaction. By considering various conditions To be in accordance with the nature of normal trading operations in the market And there is a price comparison that occurs with outsiders. In the event that the Audit Committee does not have the expertise to consider related party transactions that may occur, the Company will have independent experts or the company's auditor provide opinions on such related party transactions for use in supporting purposes. Decisions of the Audit Committee and/or the Board of Directors and/or shareholders, as the case may be. The Company will disclose related transactions in the notes to the financial statements that have been audited by the Company's auditor.

Necessity and reasonableness of related transactions

The Company has established procedures for approving related transactions. It is specified that transactions of persons who may have conflicts of interest must be considered by the Audit Committee. This must be approved by the Board of Directors and directors who have conflicts of interest will not have the right to vote.

Approval in principle of trade agreement with general trading conditions In transactions between the company and its subsidiaries (if any) and directors, executives or related persons

The Company and its subsidiaries may have related transactions with directors, executives, or related persons in the future. The Company is able to conduct such transactions. If those transactions have commercial terms in the same way that a reasonable person would deal with a normal counterparty in the same situation. With trade bargaining power without the influence of their status as a director. Executives or related persons

Measures for investor protection

In order to protect investors in the future, if there is a related transaction between the company and a person who may have a conflict of interest. have a vested interest Or there may be conflicts of interest in the future. The Company will arrange for the presentation of such transactions through a meeting of the Board of Directors attended by the Audit Committee in order to ensure that related transactions are fair. and has an appropriate pricing policy The Board of Directors must perform duties in accordance with the law on securities and the stock exchange and the regulations, announcements, and requirements of the Stock Exchange of Thailand. Including complying with regulations regarding disclosure of information on connected transactions and acquisitions or disposals.

Risk Management Committee Report

In 2023, the Risk Management Committee held 2 meetings to review the risk management plan. and risk management guidelines according to the principles specified in the risk management policy. Including considering and reviewing the efficiency and appropriateness of the risk management process arising from the company's internal and external environmental factors. and follow up on the progress of important risk management. By considering identifying risk factors covering operations. Chances of impact from risk management This ensures that the company has systematically assessed significant risks. The list of risks that occurred during the year was added and updated. Both propose risk management guidelines to the management team. and report to the Board of Directors The important resolutions are summarized as follows.

1. Consider risk factors that may have a significant impact on business operations, including external factors. and internal factors

2. Consider risk management that may occur in all 6 areas: strategy operations, finance, marketing, regulations and laws, and technology and information In the past, the company Management strategies have been used to reduce risk to an acceptable level.

3. Closely follow the progress of risk management.

The Risk Management Committee is of the opinion that in 2023 the company is committed to developing an efficient risk management system. By organizing organizational risk management training for employees. To understand the objectives, be able to identify, evaluate, and analyze risks that may arise from work processes and determine guidelines for risk management. Including continuous evaluation and review of operations. In order to comply with the principles of good corporate governance.



Air Chief Marshal Surasak Meemanee

Chairman of the Risk Management Committee

Audit Committee Report

The Audit Committee of Hydrotek Public Company Limited consists of 3 independent directors:

Air Chief Marshal Surasak Meemanee is the chairman of the audit committee. Dr. Siridej Khamsuprom and Prof. Dr. Kamphon Panyakomes are the audit committee members, of whom Prof. Dr. Kamphon Panyakomes and Dr. Siridej Khamsuprom are. Director with knowledge and ability and experience as an audit committee member Able to perform duties in reviewing the reliability of financial statements. All directors have independent qualifications according to the announcement of the Stock Exchange of Thailand.

The Audit Committee has fully performed its duties as specified in the Audit Committee Charter and reviewed corporate governance. It aims to create transparency in the management and responsibilities of the Board of Directors. matters to shareholders. In 2023, the Audit Committee held a total of 4 meetings, with the company's management and/or the auditor attending to acknowledge. Give approval, discuss, or express opinions on important issues in the preparation of financial statements. Important disclosures and report operating results to the Audit Committee every quarter. The important results of the work of the Audit Committee can be summarized as follows:

- Review quarterly financial statements. and the Company's annual financial statements for 2023 to present to the Board of Directors for consideration and approval. By considering the financial statements that have been reviewed and audited by the auditor. In addition, the Audit Committee has regular discussions with the auditor to acknowledge and discuss the auditor's opinion and issues found from the review of the financial statements to ensure that the financial statements are prepared according to generally accepted accounting standards sufficient information is disclosed. It is beneficial to the user's decision. Company financial statements as well as considering recommendations for the internal control system from the auditor. This is to ensure that important observations found from the audit have been appropriately considered and acted upon by the management. The Audit Committee is of the opinion that The process of preparing the company's accounting and financial transactions There are adequate controls to ensure that financial reports reflect the financial position and performance of the company. Correct according to accounting standards

- Review connected transactions. or items that may have conflicts of interest to be in accordance with the laws and regulations of relevant authorities to ensure that the said transactions are reasonable and of maximum benefit to the Company. and oversee the disclosure of company information to be accurate and complete.

- Review good corporate governance policies. According to the regulations of the Stock Exchange of Thailand and guidelines of the Securities and Exchange Commission and other laws strictly related to business to ensure that the company complies with the law and related government regulations to be correct. In 2023, the company has prepared a self-evaluation form. In following the principles of good corporate governance With reference to the Stock Exchange of Thailand In order for the company to improve towards better corporate governance.

- Review the adequacy and appropriateness of the internal control system. The Internal Audit Committee has oversight of the work of the Internal Audit Unit. which covers the main mission Scope of work Independence in auditing operations which has considered the internal audit report and the auditor's opinion on the work system and important operations. and the results of following up on various improvements and corrections which did not find any significant issues. The Audit Committee approved the annual audit plan and controlled development. Improve the inspection process Emphasis is placed on risk assessment at the activity level to be more efficient and performance is followed up provide operational advice to the internal audit department on a regular basis. to be more effective

- Consider selecting, proposing qualifications and remuneration of auditors by considering the evaluation of past work. Independence in work and audit fees The Audit Committee has considered proposing AMC Office Company Limited to be the auditor for the year 2023, which the auditor has performed his duties well. have knowledge and ability have experience appropriate to the company's operations and have the correct qualifications according to the announcement of the Stock Exchange of Thailand Including considering appropriate audit fees to present to the Board of Directors for approval in proposing a list of auditors.

- Maintaining the quality of the audit committee. By reviewing the performance of duties according to the Audit Committee's charter to be consistent with the policy of good corporate governance, including evaluating its own performance for the year 2023 to ensure that the performance of the Audit Committee is consistent. Efficiency and achieving the stated objectives The composition of the audit committee was evaluated. Training and resources, meetings, relationships with auditors and management. as well as the role of the Audit Committee in the future As for the overall evaluation results, it was concluded that the Audit Committee was able to perform its duties effectively.

The Audit Committee has performed its duties completely within the assigned scope of duties. By using knowledge and abilities caution and express opinions honestly for the benefit of all stakeholders equally. The Audit Committee is of the opinion that Financial statements of the company It has been prepared appropriately according to generally accepted accounting principles. For the financial statements for the fiscal year ending December 31, 2023, there were no events indicating problems or transactions that had a significant impact on the financial statements. There is adequate information on related party transactions. The company There is risk management and monitoring of risk management progress to reduce the risk to an acceptable level. The audit committee has reasonable confidence. that the company's operations can achieve its goals.



Air Chief Marshal Surasak Meemanee

Chairman of the Audit Committee

Part 3

Financial Statements



AUDITOR'S REPORT

To the Shareholders and Board of Directors of Hydrotek Public Company Limited

Disclaimer of opinion

I was engaged to audit the accompanying consolidated and separate financial statements of Hydrotek Public Company Limited and its subsidiaries (the Group) and also of Hydrotek Public Company Limited only (the Company) respectively, which comprise the consolidated and separate statements of financial positions as at December 31, 2023, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements including a summary of significant accounting policies.

I do not express an opinion on the accompanying consolidated and separate financial statements of Hydrotek Public Company Limited and its subsidiaries and of Hydrotek Public Company Limited. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements

Basis for disclaimer of opinion

1. According to the Note to financial statements No.19, as at December 31, 2023, intangible assets in the amount of Baht 108.60 million are the rights under 2 concession agreements to construction of a water production plant and water distribution. Currently, the construction and development of the said project hasn't been according to the plan due to a dispute between the Group with the company that has provided financial support for the project which the Group and the counterparties entered into the Engineering, Procurement and Construction contract (EPC Contract), the Investment Agreement and the Settlement Agreement. The case is under consideration by the Civil Court as mentions in Note to the financial statements No.35.5, there is a significant uncertainty regarding how the concession project will be resolved and has there been an impact causing the said assets whether to become impaired. I cannot use other audit procedure to be satisfactory with this matter. Therefore, I was unable to determine whether there may be any adjustments were necessary to the intangible assets in the consolidated financial statement and separate financial statements for the year ended December 31, 2023.

2. According to the Note to financial statements No. 3 the Group and the Company faces losses from continued operation over several years. The Group and the Company incurred a net loss for the year ended December 31, 2023 in the consolidated financial statements amount of Baht 71.71 million and in the separate financial statements amount of Baht 66.84 million and as at December 31, 2023, the Group and the Company had current liabilities exceeded current assets by amount of Baht 123.07 million and amount of Baht 115.24 million. The Company also has litigation related to the appeal application to the Supreme Administrative Court as mention in the Note to financial statements No.35.1 These factor along with a lawsuits with the Company filed against counterparties related to the concession project as mentioned in the previous paragraph are indicate significant uncertainties which may has potential interaction of the uncertainties and their possible cumulative effect on the financial statements which cast significant doubt to the Group's and the Company's ability to continue as a going concern which may affect the valuation of significant assets and liabilities in the consolidated and separate financial statements.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My responsibility is to conduct an audit of the said consolidated and separate financial statements in accordance with Thai Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I do not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the said consolidated and separate financial statements.



I am independent of the Group and the Company in accordance with the ethical requirements for professional accountants prescribed by the Thai Federation of Accounting Professions that are relevant to the audit of the consolidated and separate financial statements, and I have fulfilled our other ethical responsibilities in accordance with these requirements.

The engagement partner on the audit resulting in this independent auditor's report is

SAM NAK-NGAN A.M.C. CO., LTD.



(Mr. Naris Saowalagsakul)

Certified Public Accountant Registration No. 5369

Bangkok,

February 29, 2024

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7.1	2,452,227.86	20,850,124.73	1,440,781.83	7,198,490.17
Other receivables - related parties	6.1	7,168,288.39	4,706,554.66	142,494,058.07	152,689,407.34
Trade and other receivables - other parties	8	103,168,920.64	100,779,122.32	22,687,175.56	21,963,867.74
Contract assets	9.1	58,915,256.79	44,031,856.83	-	3,839,999.96
Inventories and construction materials	10	29,048,587.52	29,112,855.77	32,943.24	170,754.41
Suspend input vat		4,384,081.04	3,513,508.71	748,612.94	810,404.19
Short-term loan to other party	11	-	-	-	-
Total current assets		205,137,362.24	202,994,023.02	167,403,571.64	186,672,923.81
Non-current assets					
Other non-current financial assets	12	320,871.98	4,203,518.78	320,871.98	4,203,518.78
Contract assets	9.1	30,806,722.90	42,371,359.31	-	-
Investment in subsidiaries	13	-	-	3,584,600.00	3,619,600.00
Investment in joint venture	14	600,747.89	520,693.98	490,000.00	490,000.00
Long-term loan to other party	15	-	-	-	-
Investments property	16	2,180,750.00	2,180,750.00	2,180,750.00	2,180,750.00
Equipment	17	6,860,411.54	21,489,899.28	6,614,863.59	21,179,572.00
Right-of-use assets	18	4,982,402.62	6,922,086.51	4,982,402.62	6,922,086.51
Intangible assets	19	108,766,691.22	108,825,141.57	108,761,304.98	108,811,591.03
Withholding tax		9,816,277.58	14,913,189.18	3,855,439.07	4,951,289.87
Other non-current assets		504,854.79	545,907.42	504,854.79	545,907.42
Total non-current assets		164,839,730.52	201,972,546.03	131,295,087.03	152,904,315.61
Total assets		369,977,092.76	404,966,569.05	298,698,658.67	339,577,239.42

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Other payable - related person and parties	6.1	229,630.13	-	3,824,151.74	3,517,538.46
Trade and other payables - other parties	20	158,274,597.55	122,267,561.36	119,917,423.67	100,564,069.18
Contractual liabilities	9.1	25,923,458.00	42,243,479.24	-	9,226,379.44
Unbilled output tax		2,979,114.45	2,289,358.61	2,791,951.10	2,272,331.11
Short-term loan from related person and parties	6.1	11,950,000.00	-	27,261,899.12	15,574,381.12
Short-term loan from other party	21	-	-	-	
Current portion					
- Lease liabilities	22	1,429,701.45	2,066,879.49	1,429,701.45	2,066,879.49
- Long-term loan from other party	23	125,644,786.50	125,644,786.50	125,644,786.50	125,644,786.50
- Long-term loan from financial institution	24	1,778,259.67	-	1,778,259.67	-
Total current liabilities		328,209,547.75	294,512,065.20	282,648,173.25	258,866,365.30
Non-current liabilities					
Lease liabilities	22	2,980,993.67	4,111,664.98	2,980,993.67	4,111,664.98
Long-term loan from financial institution	24	2,812,062.59	-	2,812,062.59	-
Employee benefit obligations	25	2,696,878.23	4,066,883.80	2,696,878.23	4,066,883.80
Other non-current liabilities		12,833,830.21	11,983,107.89	-	-
Total non-current liabilities		21,323,764.70	20,161,656.67	8,489,934.49	8,178,548.78
Total liabilities		349,533,312.45	314,673,721.87	291,138,107.74	267,044,914.08
Shareholders' equity					
Share capital	26				
Authorized share capital					
675,838,592 ordinary shares @ Baht 1.00		675,838,592.00	-	675,838,592.00	-
311,925,504 ordinary shares @ Baht 1.00		-	311,925,504.00	-	311,925,504.00
Issued and paid-up share capital					
311,925,504 ordinary shares @ Baht 1.00		311,925,504.00	311,925,504.00	311,925,504.00	311,925,504.00
Deficits - Unappropriated		(291,481,723.69)	(221,632,656.82)	(304,364,953.07)	(239,393,178.66)
Total shareholders' equity		20,443,780.31	90,292,847.18	7,560,550.93	72,532,325.34
Total liabilities and shareholders' equity		369,977,092.76	404,966,569.05	298,698,658.67	339,577,239.42

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2023	2022	2023	2022
Revenues					
Sales		12,126.16	-	12,126.16	-
Construction		71,125,140.77	123,614,838.36	-	-
Services		3,015,031.64	6,652,620.70	3,015,031.64	6,652,620.70
Other income		2,765,398.79	2,738,655.54	8,363,417.79	9,835,635.18
Total revenues		76,917,697.36	133,006,114.60	11,390,575.59	16,488,255.88
Expenses					
Cost of goods sold		9,112.83	-	9,112.83	-
Cost of construction		77,799,353.72	150,738,622.60	-	-
Cost of services		2,348,300.00	2,184,478.16	2,348,300.00	2,184,478.16
Administrative expenses		59,179,791.40	51,271,611.97	66,437,086.75	85,922,339.59
Total expenses		139,336,557.95	204,194,712.73	68,794,499.58	88,106,817.75
Loss from operating		(62,418,860.59)	(71,188,598.13)	(57,403,923.99)	(71,618,561.87)
Finance costs		(9,357,704.35)	(9,495,463.86)	(9,433,680.68)	(9,567,354.12)
Loss before share of profit on investment in joint venture and income tax		(71,776,564.94)	(80,684,061.99)	(66,837,604.67)	(81,185,915.99)
Share of profit on investment in joint venture		80,053.91	30,693.98	-	-
Loss before income tax expenses		(71,696,511.03)	(80,653,368.01)	(66,837,604.67)	(81,185,915.99)
Income tax expenses	28	(18,386.10)	(66,596.37)	-	-
Loss for the year		(71,714,897.13)	(80,719,964.38)	(66,837,604.67)	(81,185,915.99)
Other comprehensive income					
Transactions that be classified into profit or loss in the future					
Difference of exchange rate from conversion the financial statements		-	58,506.30	-	-
Difference of exchange rate from disposal on foreign operation		-	1,810,652.10	-	-
Item that will not be reclassified to profit or loss					
Actural profit (loss) arising from defined benefit plan	25	1,865,830.26	(61,829.95)	1,865,830.26	(61,829.95)
Other comprehensive income for the year		1,865,830.26	1,807,328.45	1,865,830.26	(61,829.95)
Total comprehensive income for the year		(69,849,066.87)	(78,912,635.93)	(64,971,774.41)	(81,247,745.94)
Loss attributable to					
Equity holders of the Company		(71,714,897.13)	(80,720,884.47)		
Non-controlling interests		-	920.09		
		(71,714,897.13)	(80,719,964.38)		
Total comprehensive income attributable to					
Equity holders of the Company		(69,849,066.87)	(78,925,257.28)		
Non-controlling interests		-	12,621.35		
		(69,849,066.87)	(78,912,635.93)		
Basic loss per share (Unit : Baht)					
		(0.23)	(0.26)	(0.21)	(0.26)
Weighted average of ordinary shares (Unit : Share)					
		311,925,504	311,925,504	311,925,504	311,925,504

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Equity attributable to the owners of the Company										(Unit : Baht)
	Note	Issued and paid-up share capital	Premium on ordinary share	Discount on ordinary share	Deficits		Other components of shareholders' equity		Total	
					Appropriated-legal reserve	Unappropriated	Difference exchange rate from conversion of financial statements	Equity attributable to the owners of the Company		
Balance as at January 1, 2022		2,304,683,037.00	141,376,373.77	(1,276,585,171.06)	9,620,000.00	(1,055,698,926.11)	(1,857,457.14)	121,537,856.46	302,780.59	121,840,637.05
Loss for the year		-	-	-	-	(80,720,884.47)	-	(80,720,884.47)	920.09	(80,719,964.38)
Other comprehensive income for the year		-	-	-	-	(61,829.95)	46,805.04	(15,024.91)	11,701.26	(3,323.65)
Transfer loss from exchange rate in other component to profit or loss from disposal of investment in subsidiary		-	-	-	-	-	1,810,652.10	1,810,652.10	-	1,810,652.10
Total comprehensive income for the year		-	-	-	-	(80,782,714.42)	1,857,457.14	(78,925,257.28)	12,621.35	(78,912,635.93)
Decrease share capital to eliminate deficit	26	(2,040,437,781.00)	(141,376,373.77)	1,276,585,171.06	(9,620,000.00)	914,848,983.71	-	-	-	-
Transfer deficits loss of non-controlling interests from disposal of investment in subsidiary		-	-	-	-	-	-	-	(315,401.94)	(315,401.94)
Increase share capital	26	47,680,248.00	-	-	-	-	-	47,680,248.00	-	47,680,248.00
Balance as at December 31, 2022		311,925,504.00	-	-	-	(221,632,656.82)	-	90,292,847.18	-	90,292,847.18
Loss for the year		-	-	-	-	(71,714,897.13)	-	(71,714,897.13)	-	(71,714,897.13)
Other comprehensive income for the year		-	-	-	-	1,865,830.26	-	1,865,830.26	-	1,865,830.26
Total comprehensive income for the year		-	-	-	-	(69,849,066.87)	-	(69,849,066.87)	-	(69,849,066.87)
Balance as at December 31, 2023		311,925,504.00	-	-	-	(291,481,723.69)	-	20,443,780.31	-	20,443,780.31

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	Issued and paid-up share capital	Premium on ordinary share	Discount on ordinary share	Deficits		Total
					Appropriated- legal reserve	Unappropriated	
Balance as at January 1, 2022		2,304,683,037.00	141,376,373.77	(1,276,585,171.06)	9,620,000.00	(1,072,994,416.43)	106,099,823.28
Loss for the year		-	-	-	-	(81,185,915.99)	(81,185,915.99)
Other comprehensive income for the year		-	-	-	-	(61,829.95)	(61,829.95)
Total comprehensive income for the year		-	-	-	-	(81,247,745.94)	(81,247,745.94)
Decrease share capital to eliminate deficit	26	(2,040,437,781.00)	(141,376,373.77)	1,276,585,171.06	(9,620,000.00)	914,848,983.71	-
Increase share capital	26	47,680,248.00	-	-	-	-	47,680,248.00
Balance as at December 31, 2022		311,925,504.00	-	-	-	(239,393,178.66)	72,532,325.34
Loss for the year		-	-	-	-	(66,837,604.67)	(66,837,604.67)
Other comprehensive income for the year		-	-	-	-	1,865,830.26	1,865,830.26
Total comprehensive income for the year		-	-	-	-	(64,971,774.41)	(64,971,774.41)
Balance as at December 31, 2023		311,925,504.00	-	-	-	(304,364,953.07)	7,560,550.93

Notes to financial statements are an integral part of these financial statements.

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HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flow from operating activities				
Loss for the year	(71,714,897.13)	(80,719,964.38)	(66,837,604.67)	(81,185,915.99)
Adjustments to reconcile loss for the year for cash received (paid) from operations				
Allowance for expected credit loss - other receivables to related party	-	-	5,470,000.00	33,530,000.00
Allowance for expected credit loss - other current receivables - other party (reverse)	230,000.00	(191.19)	230,000.00	(191.19)
Allowance for expected credit loss and contractual assets (reverse)	(3,166,986.78)	-	(3,166,986.78)	-
Impairment loss of value inventories	170,754.41	-	170,754.41	-
Impairment loss of equipment	11,711,861.48	-	11,711,861.48	-
Depreciation - equipment	1,776,522.05	2,314,511.77	1,711,742.72	2,253,861.80
Depreciation - right of use assets	2,098,293.94	2,912,158.33	2,098,293.94	2,451,423.34
Amortization of intangible assets	58,450.35	70,286.07	50,286.05	50,286.05
Loss from disposal of equipment	828,000.00	-	828,000.00	-
Loss (gain) on disposal of investment in subsidiary	-	1,460,032.53	-	(1,000.00)
Impairment loss on investment in subsidiary	-	-	35,000.00	380,000.00
Loss on exchange rate from disposal of investment in subsidiary	-	1,810,652.10	-	-
Provisions for employee benefits	495,824.69	739,287.14	495,824.69	739,287.14
Provision for loss from construction	-	294,367.36	-	-
Share of profit on investment in joint venture	(80,053.91)	(30,693.98)	-	-
Interest income	(32,723.43)	(52,171.53)	(9,445.02)	(312,740.44)
Interest expenses	9,077,575.12	9,073,143.17	9,153,551.45	9,185,064.60
Interest paid on lease liabilities	280,129.23	422,320.69	280,129.23	382,289.52
Income tax expense	18,386.10	66,596.37	-	-
Loss from operation before changes in operating assets and liabilities	(48,248,863.88)	(61,639,665.55)	(37,778,592.50)	(32,527,635.17)
Changes in operating assets and liabilities				
Other receivables - related parties	(2,461,533.73)	(4,669,172.47)	4,725,349.27	(84,140,586.86)
Trade and other receivables - other parties	(2,869,998.32)	2,504,718.66	(953,307.82)	10,583,847.87
Inventories and construction materials	(106,486.16)	(13,195,822.67)	(32,943.24)	-
Contractual assets	(151,776.77)	1,098,838.87	7,006,986.74	2,080,373.84
Suspend input vat	(870,572.33)	745,271.17	61,791.25	96,861.67
Other non-current assets	839,408.90	6,000.00	752,584.43	6,000.00
Other payables - person and related parties	229,630.13	(476,828.94)	-	(1,242,305.09)
Trade and other payables - other parties	27,187,630.31	(7,795,797.75)	10,533,948.58	2,703,425.68
Contractual liabilities	(16,320,021.24)	(20,662,574.92)	(9,226,379.44)	(88,555.28)
Unbilled output tax	689,755.84	499,377.66	519,619.99	499,191.60
Other non-current liabilities	850,722.32	(566,927.83)	-	(37,052.79)
Cash paid from operating	(41,232,104.93)	(104,152,583.77)	(24,390,942.74)	(102,066,434.53)
Cash paid for employee benefits	-	(1,133,000.00)	-	(1,133,000.00)
Cash received (paid) for income tax	4,280,169.23	1,207,654.25	384,319.00	(292,725.33)
Net cash used in operating activities	(36,951,935.70)	(104,077,929.52)	(24,006,623.74)	(103,492,159.86)

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flow from investing activities				
Cash received from short-term loans to related parties	-	-	-	5,000,000.00
Decrease in other non-current financial assets	3,882,646.80	14,922,285.24	3,882,646.80	14,922,285.24
Cash paid for investment in joint venture	-	(490,000.00)	-	(490,000.00)
Cash paid for purchase of equipment	(86,895.79)	(1,660,942.34)	(86,895.79)	(1,639,772.34)
Cash received from disposal of equipment	400,000.00	-	400,000.00	-
Cash received in right-of-use assets	30,000.00	61,000.00	30,000.00	61,000.00
Cash received from interest	32,723.43	73,452.10	9,445.02	63,814.17
Net cash received from investing activities	4,258,474.44	12,905,795.00	4,235,196.03	17,917,327.07
Cash flow from financing activities				
Cash received from short-term loan from related person and parties	11,950,000.00	-	11,950,000.00	-
Cash paid for short-term loan from person and related parties	-	-	(262,482.00)	(1,322,501.44)
Cash received from short-term loan from other party	250,000.00	-	-	-
Cash received from long-term loan from financial institution	4,622,790.27	-	4,622,790.27	-
Cash paid for long-term loan from financial institution	(32,468.01)	-	(32,468.01)	-
Cash paid for lease liabilities	(2,236,588.63)	(3,270,130.57)	(2,236,588.63)	(2,754,299.95)
Cash paid in interest expenses	(258,169.24)	(21,911.19)	(27,532.26)	(54,268.11)
Cash received from increment of capital from warrants exercised	-	47,680,248.00	-	47,680,248.00
Net cash received from financing activities	14,295,564.39	44,388,206.24	14,013,719.37	43,549,178.50
Effects of disposal of investment in subsidiary of cash and cash equivalents	-	(107,512.95)	-	-
Effects of exchange rate change on the balance of cash and cash equivalents	-	58,506.30	-	-
Cash and cash equivalent items decrease-net	(18,397,896.87)	(46,832,934.93)	(5,757,708.34)	(42,025,654.29)
Cash and cash equivalent at the beginning of the year	20,850,124.73	67,683,059.66	7,198,490.17	49,224,144.46
Cash and cash equivalent at the end of the year	2,452,227.86	20,850,124.73	1,440,781.83	7,198,490.17

Notes to financial statements are an integral part of these financial statements.

HYDROTEK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2023

1 General information

Hydrotek Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The Company is listed on the Market for Alternative Investment (MAI). The address of the Company’s registered office is 14th Floor, TP&T Tower 1 Soi Vibhavadee-Rangsit 19, Chatuchak, Chatuchak, Bangkok.

The principal business operations of the Company and subsidiaries (“the Group”) are construction and management of water treatment and wastewater treatment system, waste management system and selling of related supplies.

2 Basis of financial statements preparation

2.1 The financial statements are issued for reporting purposes to be used in Thailand are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

2.2 The consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principles under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals (“TFAC”) established under the Accounting Professions Act B.E. 2547 and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

The presentation of financial statements is in accordance with the determination stated in the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act, B.E. 2543.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported years. Actual results may differ from those estimates. Although the management has most.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and in any future years affected the significant estimates and assumptions are as follows :-

Right-of-use assets and lease liabilities

In estimating the right-of-use assets and lease liabilities, the management needs to make judgement and estimated of the purchase option or renewal option exercised including review estimate useful lives and residual values of underlying asset when there are any changes.

In addition, the management is required to review right-of-use assets for impairment on a yearical basis and record impairment losses in year when it is determined that their recoverable amount is lower then the carrying amount. This requires judgments regarding forecast of future revenues and expanses relating to the assets subject to the review.

Lease

Lease-where the Group is the lessor, in determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding significant risk and rewards of ownership of the leased assets have been transferred, taking into consideration terms and conditions of the arrangements.

Expected credit loss

In determining the expected credit loss, the management needs to use judgment in estimating the expected loss and forecasts for the future about economic factors affecting credit risk of financial assets.

Estimated on construction

The estimate on construction is estimate from the calculating of quantity and amount of material in construction including labor and overhead that necessary in construction service, also forecasting based on trend changing that may occur. Estimate reviewed on an ongoing basis and estimates are revised and in any that the actual cost is differ from these estimate.

Investment property, equipment and depreciation

In determining depreciation of investment property and equipment, the management is required to make estimates of the useful lives and residual values of the investment property and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment property and equipment for impairment on a yearical basis and record impairment losses in the year when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Estimate on employee benefit obligations

The obligation under the post-employment benefit is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate and staff turnover rate.

Litigation

Contingent liabilities as a result of the litigation. The management has used judgment to assess of the results of the litigation and estimated contingent damage.

Other estimates are disclosed under related caption in these notes to financial statements.

2.3 The Reclassified

Some items in the consolidated statements of financial positions as at December 31, 2022 have been reclassified in line with the presentation of the consolidated statements of financial positions as at December 31, 2023, which can be summarise as follows :-

	(Unit : Baht)		
	<u>Before</u>	<u>Adjustment</u>	<u>After</u>
	<u>reclassified</u>	<u>increase (decrease)</u>	<u>reclassified</u>
<u>Consolidated statements of financial positions as at December 31, 2022</u>			
Current assets			
Contractual assets	86,403,216.14	(42,371,359.31)	44,031,856.83
Non-current assets			
Contractual assets	-	42,371,359.31	42,371,359.31

3. Going concern

The Group and the Company faces losses from continued operation over several years. For the year ended December 31, 2023 the Group and the Company incurred a net loss in the consolidated financial statements amount of Baht 71.71 million and in the separate financial statements amount of Baht 66.84 million, (For the year ended December 31, 2022, the Group and the Company incurred a net loss in the consolidated financial statements amount of Baht 80.72 million and in the separate financial statements amount of Baht 81.19 million) respectively and as at December 31, 2023 the Group and the Company has current liabilities exceeded current assets by amount of Baht 123.07 million and amount of Baht 115.24 million. In (As at December 31, 2022, the Group and the Company has current liabilities exceeded current assets by amount of Baht 91.52 million and amount of Baht 72.19 million) addition, The Company has an litigations matters is being appeal to the Supreme Administrative Court according to the notes to the financial statements No. 35.1 These conditions, along with dispute that are litigations matters related to the concession project as set forth as mentioned in the note to financial statements No.19, No.23 and No.35.5 indicate the existence of a material uncertainty that may cast significant doubt about the Group and the Company's ability to continue as a going concern and therefore the Group and the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Group's management is in the process of improving its operating. Including, the Group considers to bid for various projects to make a profit, allocation of additional capital increase shares including requesting credit facilities from financial institutions and other source of funds. The management believes that it will be able to rectify situation and leads the Company has ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis. Accordingly, such financial statements do not include any adjustments to present assets at their realisable values and liabilities at their settlement amounts, and to make the reclassifications that may be required in the event that the Group and the Company is unable to continue its operations as a going concern.

4. Basis of the consolidated financial statements preparation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries, which are those entities in which the Group has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred for acquisition is measured at the sum of the fair value of the assets given, the liabilities incurred, and equity instruments issued by the Group at the date of exchange. Acquisition-related costs are accounted as expenses in the year in which the costs are incurred. The excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the fair value of the net identifiable assets of the subsidiary acquired is recognized as goodwill and to be tested for

impairment annually. If, after reassessment, the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) is less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

As at December 31, 2023 and 2022 have been prepared by including the financial statements of Hydrotek Public Company Limited and its subsidiaries after eliminate the significant related party balances and transactions. The percentage directly and indirectly owned by the Company as follows :-

<u>Companies</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholding</u>	
			<u>2023</u>	<u>2022</u>
Hydrotek-Chaisarit Joint Venture	Construction of water treatment	Thailand	100.00	100.00
Hydrotek Utilities Co., Ltd.	Investment project, which produce and supply water and related businesses	Thailand	100.00	100.00
Sahahydro Joint Venture	Construction of the expansion of water	Thailand	100.00	100.00
Sahahydro Pathumthani 2 Joint Venture	Construction of the expansion of water	Thailand	100.00	100.00
Hydro-Rinrat Joint Venture	Construction of the expansion of water	Thailand	100.00	100.00

The financial statements of the subsidiaries are prepared for the same reporting years as the Company and using consistent significant accounting policies.

Non-controlling interests measured at net asset value of the proportion of shares held by non-controlling interest in it.

The assets and liabilities in the financial statements of overseas subsidiaries company is translated to Baht using the exchange rate prevailing at the end of reporting year, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of "Other components of equity" in the statements of changes in shareholders' equity. In this regard, on December 28, 2022, the Company has dispose investment in Hydrotek Supreme Mandalay Co.,Ltd. As a result, the Company ceases to controlling Its subsidiary since that dated, as mentioned in note to the financial statements No. 13. Therefore, In the presentation of consolidated financial statements as at December 31, 2023, the Company does not include the statement of financial position of Hydrotek Supreme Mandalay Co.,Ltd. in the consolidated statements of financial position but include its' financial performance and cash flows for the year of January 1, 2023 to December 28, 2023 in the consolidated statements of comprehensive income and cash flows.

5. Significant accounting policies

5.1 Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

5.2 Trade and other receivables

Trade and other receivables are stated at the net realisable value and recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at its present value of the consideration. However, the consideration of the impairment of trade and other receivables has shown in Note 5.6.

5.3 Non-current assets or disposal group classified as held for sale

A non-current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

A non-current asset or disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. (The incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense).

The Group does not depreciate or amortize a non-current asset while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

5.4 Contract assets / Contract liabilities

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

5.5 Contract cost assets

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs. However, the incremental costs of obtaining a contract are expensed when incurred, if the expected amortisation year is one year or less.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on systematic basis over the term of the contract it relates to, consistent with the related revenue recognition.

5.6 Financial instruments

Classification and measurement of financial assets

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

Financial assets - debt securities are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets - equity investments, , the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVTPL.

Financial assets at amortised cost.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

Financial assets measured at FVTPL are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

Dividends on investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating an allowance for expected credit losses (“ECLs”). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.7 Inventories and construction materials

Inventories and construction materials are stated at cost or net realizable value, whichever is the lower. The cost of Inventories and onstruction materials is calculated by FIFO method.

Cost of inventories and construction materials for use in projects comprises both purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

5.8 Investments

Investments in subsidiaries

Investments in subsidiaries are reported by using the cost method in the separate financial statements less allowance for impairment investment (if any).

Investment in associates and joint venture

Investments in associates and joint venture is present in the separate financial statements using the cost method less allowance for impairment investment (if any).

Investments in associates and joint venture is present in the consolidated financial statements using the equity method.

5.9 Investment properties

Investment property is defined as land or a building or part of a building, or both, held to earn rental or for capital appreciation or both, rather than for use in the production or supply of goods and services, for administrative purposes, or for making sales in the ordinary course of business.

Investment property of the Group are measured initially at cost. Subsequent to initial recognition, investment property are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

5.10 equipment

Assets under construction held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statements of financial position at their historical cost less accumulated impairment losses (if any).

Equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statements of financial position at their historical cost less accumulated depreciation and accumulated impairment losses (if any).

The cost of an item of asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

The Group depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, to their residual values over their estimated useful life as follows :-

Building improvement	5-10	Years
Tools and equipment	2-30	Years
Office equipments and furniture	2-5	Years
Vehicles	5-10	Years

The residual value, the useful life and the depreciation method of an asset will be reviewed at least at each financial year-end.

The gain or loss arising on the disposal or retirement of an item of land and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

5.11 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.

The Group is the lessee

The Group applies a single accounting method for the recognition and measurement of all lease contracts. Except for short-term leases and leases where the underlying asset is of low value at the commencement date of the lease. Right-of-use assets representing the right to use the underlying asset and lease liabilities are recorded as lease payments.

Right-of-use assets

Right-of-use assets are measured at cost less accumulated depreciation. Accumulated impairment loss and adjusted with a new measurement of the lease liability. The cost of a right-of-use asset comprises the amount of the lease liability on initial recognition. Initial direct costs incurred. The amount paid under the lease agreement on or before the effective date of the lease and deducted by the lease incentive received.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the lease year, as follows :-

Land	25	Years
Building	3	Years
Vehicles	1-4	Years
Office equipments	4	Years

If ownership of an underlying asset is transferred to the Group at the end of the lease term or its cost includes the exercise of a purchase option. Depreciation is calculated based on the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments made over the lease term. The lease payments consist of fixed rent less lease incentives, variable rent based on index or rate, the amount expected to be paid under the residual value guarantee including the exercise price of the option, which is reasonably certain that the Group will exercise the option and payment of fines for the termination of the lease if the terms of a lease demonstrate that the Group exercises its right to terminate the lease. The Group recognizes variable rents that are not independent of an index or rate as an expense in the year in which the event or condition relating to the payment occurs.

The Group discounts the present value of the lease payments at the interest rate implied by the lease or the Group's incremental borrowing rate. After the effective date of the lease agreement, the book value of the lease liabilities will increase from the interest on the lease liabilities and decrease from the payment of the lease liabilities. In addition, the carrying amount of the lease liabilities is remeasured whenever there is a change in the lease term, changes in lease payments, or changes in the assessment of options to purchase the underlying assets.

Short-term leases and leases of low-value assets

Leases with a lease term of 12 months or less from the effective date of the lease or leases on which the underlying asset is low value, it will be recorded as expenses on a straight-line basis over the lease term.

The Group is the lessor

Operating lease

Leases which do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. The Group recognizes the amount received under operating leases as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred on an acquisition of an operating lease are included in the carrying amount of the underlying asset and recognized as an expense over the lease term on a basis consistent with the lease income.

Finance lease

Leases that transfer to the lessee all or most of the risks and rewards of ownership of an underlying asset are finance leases. The Group recognizes finance lease receivables by the net investment amount of the lease. It comprises the present value of the lease and its unguaranteed residual value, discounted at the interest rate implied by the lease. Interest income on finance leases is allocated each accounting year to reflect the Group's fixed yearic rate of return on the remaining net investment in the lease.

5.12 Intangible assets

Intangible assets are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives are as follows :-

Accounting software	5 Years
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The intangible asset incurred from the recognition of revenue from the construction of the wastewater treatment system and tap water plant. The payment is received in the form of the right to charge for the wastewater treatment usage and volume of tap water sold as stipulated in the service concession arrangement. It is shown in the statements of financial position at cost net of accumulated amortization and allowance for impairment (if any) and amortized when service are commenced on straight-line basis over the service concession agreement year.

5.13 Impairment of non-financial assets

The carrying amounts of assets are assessed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in. An impairment loss is recognized when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually, even though there is no indicator of impairment are identified.

Impairment loss is recognized as expenses in profit or loss immediately.

The recoverable amount is the asset's fair value less costs to sell and its value in use in assessing the value in use of assets. The Group estimates the future cash flows expected to be generated by the asset and is discounted to their present value using a before tax discount rate that reflects current market assessments of the time value of cash and cash flows. The risks that are characteristic of the asset under consideration to determine fair value less costs to sell. The Group uses the best valuation model that is appropriate for the assets. It reflects the amount that the entity can obtain from the disposal of the asset less the cost of disposal by selling, buyers and sellers are knowledgeable and willing to exchange and can freely negotiate prices as those who are not related to each other.

The Group recognizes impairment losses in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Group estimates the assets recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Reversals of impairment loss will be recognized as income in profit or loss immediately.

5.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily takes a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized as an expense in the year in which they are incurred.

5.15 Retirement benefit costs

Defined contribution plan

The Group operates a provident fund which is funded by payments from employees and by the Group. The assets for which are held in a separate trust fund. Contributions to the provident fund are recognized in profit or loss in the year in which they are incurred.

Defined benefit plan

The Group has the employee benefit obligation in case of retirement or termination under the labor law. The Group hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, current service cost and related interest expense. The current service cost and interest expense are recognized in profit or loss. Actuarial gains and losses arising from re-measurement of the employee benefit obligation are recognized in other comprehensive income and transferred in retained earnings, respectively without reclassification of those amounts to profit or loss in a subsequent year.

5.16 Provision of liabilities

The Group are recognized when the Group 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. the Group will record the recovered payment as asset separately but the amount so recorded must be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of income in the net amount after recovered expense already recognized.

5.17 Revenue recognition

- The Group recognizes revenue from construction, revenue from construction supervision, revenue from design and procurement contracts which identified as a single performance obligation satisfied by over time. The Group measures the progress towards complete satisfaction of the performance obligation with the input method, based on comparison of actual construction costs incurred up to the end of the year and total anticipated construction costs at completion for the satisfaction of that performance obligation.

The group will consider the probability of recognising revenue from change in damage claims contract delays in delivery or contractual penalties are recognised revenue only in case where it is highly probable that no significant reversal in the amount of cumulative revenue.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

- Service revenue is recognised over time when services have been rendered taking into account the stage of completion.
- Dividends are recognised when the right to receive the dividends is established.
- Interest income is recognised on an accrual basis and calculated using the effective interest method.
- Other income are recognized on an accrual basis.

5.18 Expenses recognition.

- The cost of project construction service related to satisfying performance obligations under the contracts is recognized in the profit and loss when the cost incurred and when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in profit and loss immediately.
- Finance costs such as interest expenses and similar costs are charged to profit or loss for the year in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.
- Other expenses are recognized by accrual basis.

5.19 Income tax

Income tax comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting year, using the tax rates enacted at the end of the reporting year.

The Group recognizes deferred tax liabilities for all taxable temporary differences while they recognizes deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

5.20 Basic earnings (loss) per share

- Basic earnings (loss) per share is calculated by dividing net profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) with weighted average number of issued and paid-up shares.
- Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of common shares in issue during the year plus the weighted average number of common shares which would need to be issued to convert all dilutive potential common shares into common shares. The calculation assumes that such conversion took place either at beginning of the year or on the date the potential common shares were issued.

5.21 Foreign currency transactions

The Group translates foreign currency transactions into Baht using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities at the end of the reporting year denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss as incurred.

5.22 The related persons and related companies

The related persons and related companies with the Group meant individuals or enterprises which have the controlling power over the Group or are controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related persons or related companies also meant the associated companies and the persons whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group, important management, directors or the employees of the Group who have the power to plan and control the operations of the Group including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

5.23 Segment reporting

The sectoral business operation is disclosed under the separate business sectors of the Group, by the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

5.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows :-

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting year, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting year that are measured at fair value on a recurring basis.

6. Inter-transaction with related companies

The Company has business transactions with subsidiary and related entities, which have the same group of shareholders or mutual directors. Such transaction which have been concluded on commercial terms and based agreed up on between the Company and related parties and are in ordinary course of business which can be summarized as follow :-

6.1 Inter-assets and liabilities

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other receivables				
Accrued interest receivable				
Subsidiary	-	-	903,437.00	903,437.00
Other receivables				
Subsidiaries	-	-	184,122,332.68	191,309,415.68
Joint venture	7,090,149.23	4,667,250.47	7,090,149.23	4,667,250.47
Related company	78,139.16	39,304.19	78,139.16	39,304.19
Total	7,168,288.39	4,706,554.66	191,290,621.07	196,015,970.34
<u>Less</u> Allowance for expected credit loss	-	-	(49,700,000.00)	(44,230,000.00)
Net	7,168,288.39	4,706,554.66	141,590,621.07	151,785,970.34
Total other receivables	7,168,288.39	4,706,554.66	142,494,058.07	152,689,407.34
Short-term loans to				
Subsidiary				
Beginning balance	-	-	-	5,000,000.00
Repayment in during the year	-	-	-	(5,000,000.00)
Ending balance	-	-	-	-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other payables				
Other payables				
Subsidiary	-	-	103,494.70	103,494.70
Accrued expenses				
Subsidiary	-	-	355.41	355.41
Accrued interest				
Subsidiary	-	-	3,490,671.50	3,413,688.35
Related company	44,753.42	-	44,753.42	-
Director	184,876.71	-	184,876.71	-
Total other payables	229,630.13	-	3,824,151.74	3,517,538.46
Short-term loans from				
Subsidiary				
Beginning balance	-	-	15,574,381.12	16,896,882.56
Repayment in during the year	-	-	(262,482.00)	(1,322,501.44)
Ending balance	-	-	15,311,899.12	15,574,381.12
Related company				
Beginning balance	-	-	-	-
Additional in during the year	4,950,000.00	-	4,950,000.00	-
Ending balance	4,950,000.00	-	4,950,000.00	-
Director				
Beginning balance	-	-	-	-
Repayment in during the year	7,000,000.00	-	7,000,000.00	-
Ending balance	7,000,000.00	-	7,000,000.00	-
Total	11,950,000.00	-	27,261,899.12	15,574,381.12

As at December 31, 2023 and 2022, short-term loans from subsidiary is loan in form of promissory notes, at call and interest are carried by the rate of 0.50% per annum for both year.

As at December 31, 2023, the whole amount of short-term loan from related company is loan due within March 31, 2024, and interest are carried by the rate of 7.50% per annum.

As at December 31, 2023, the whole amount of short-term loan from director is loan due within February 29, 2023, and interest are carried by the rate of 4.00% per annum.

The movement of allowance for expected credit loss of other receivable-subsidiary for the year ended December 31, 2023 and 2022 as follow :-

	(Unit : Baht)	
	<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Beginning balance	(44,230,000.00)	(10,700,000.00)
Additional in during the year	(5,470,000.00)	(33,530,000.00)
Ending balance	(49,700,000.00)	(44,230,000.00)

6.2 Inter-revenues and expenses

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Other income				
Subsidiaries	-	-	6,208,563.20	7,679,069.29
Joint venture	1,472,480.10	50,000.00	1,472,480.10	50,000.00
Related company	482,243.09	471,931.39	482,243.09	471,931.39
Total	1,954,723.19	521,931.39	8,163,286.39	8,201,000.68
Interest income				
Subsidiary	-	-	-	270,206.86
Interest expense				
Subsidiary	-	-	76,983.15	79,564.51
Related company	44,753.42	-	44,753.42	-
Director	184,876.71	-	184,876.71	-
Total	229,630.13	-	306,613.28	79,564.51

6.3 Management's benefits

	(Unit : Baht)	
	<u>Consolidated /Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	4,975,694.00	7,877,114.00
Post-employment benefits	63,036.64	215,837.90
Total	5,038,730.64	8,092,951.90

6.4 Pricing policies

<u>Transaction</u>	<u>Pricing Policies</u>
Other income	Based on the agreed price
Interest income	Interest rate of 6.97% per annum (2022 : 6.97% per annum)
Interest expense	Interest rate of 0.50% - 7.50% per annum (2022 : 0.50% per annum)

6.5 Nature of relationship

<u>Name</u>	<u>Relationship</u>
Hydrotek - Chaisarit Joint Venture	Subsidiary
Hydrotek Utilities Co., Ltd.	Subsidiary
Hydrotek Supreme Mandalay Co.,Ltd.	Subsidiary (End of subsidiary company as at December 28, 2022.)
Sahahydro Joint Venture	Subsidiary
Hydro-Rinrat Joint Venture	Subsidiary
Sahahydro Pathumthani 2 Joint Venture	Subsidiary
Prime-Hydrotek Construction Joint Venture	Joint Venture
Prime Road Power Public Co.,Ltd.	Related company with common shareholders and directors
Acme Ennergy Development Co.,Ltd	Related company with common directors
Director	Chairman of the board of director

7. Supplemental disclosures of cash flow information

7.1 Cash and cash equivalents consisted of :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash on hand	279.06	80,149.64	227.69	38,840.34
Saving deposit	1,331,045.60	15,298,694.38	424,755.94	1,793,474.12
Current deposit	1,120,903.20	5,471,280.71	1,015,798.20	5,366,175.71
Total	2,452,227.86	20,850,124.73	1,440,781.83	7,198,490.17

7.2 Non-cash items is as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Offset contractual asset with other payables	3,839,999.96	-	3,839,999.96	-
Disposal of investment in subsidiary which had not yet been received	-	1,000.00	-	1,000.00
Equipment increase from provisions for decommissioning	-	200,000.00	-	200,000.00
Right-of-use assets increased from lease liabilities	188,610.05	356,565.93	188,610.05	368,430.41
Short-term loan from other party decreased from offsetting with other-receivables	250,000.00	-	-	-

8. Trade and other receivables-other parties

Outstanding trade and other receivables-other parties can be aged as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade accounts receivable and post dated cheque				
Within credit term	-	-	-	-
Overdue 1 – 30 days	4,063,498.51	-	-	-
Overdue over 12 months	7,289,488.00	7,289,488.00	7,289,488.00	7,289,488.00
Total	11,352,986.51	7,289,488.00	7,289,488.00	7,289,488.00
<u>Less</u> Allowance for expected credit loss	(7,289,488.00)	(7,289,488.00)	(7,289,488.00)	(7,289,488.00)
Net	4,063,498.51	-	-	-
Other receivables	42,190,202.03	41,133,042.59	31,684,628.54	30,731,320.72
Advances and deposit for purchase of goods	79,814,171.88	82,727,976.04	14,901,589.47	14,901,589.47
Advances to subcontractors	15,136,141.58	14,723,197.05	5,041,117.60	5,041,117.60
Total	137,140,151.49	138,584,215.68	51,627,335.61	50,674,027.79
<u>Less</u> Allowance for expected credit loss	(38,035,093.36)	(37,805,093.36)	(28,940,160.05)	(28,710,160.05)
Net	99,105,422.13	100,779,122.32	22,687,175.56	21,963,867.74
Total trade and other current receivables	103,168,920.64	100,779,122.32	22,687,175.56	21,963,867.74

For the year ended December 31, 2023 and 2022, no movement of allowance for expected credit loss- trade receivable.

The movement of allowance for expected credit loss - other receivable other parties for the year ended December 31, 2023 and 2022 are as follows :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	(37,805,093.36)	(37,805,284.55)	(28,710,160.05)	(28,710,351.24)
Allowance increased during the year	(380,000.00)	-	(380,000.00)	-
Reversal during the year	150,000.00	191.19	150,000.00	191.19
Ending balance	(38,035,093.36)	(37,805,093.36)	(28,940,160.05)	(28,710,160.05)

9. Contract assets and Contract liabilities

9.1 Contract balances

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Contract assets - current				
Unbilled receivables	81,353,907.02	64,526,698.34	25,191,414.22	32,198,400.96
Retention receivables	2,752,763.99	7,863,559.49	-	-
Total contract assets - current	84,106,671.01	72,390,257.83	25,191,414.22	32,198,400.96
<u>Less</u> Allowance for expected credit loss	(25,191,414.22)	(28,358,401.00)	(25,191,414.22)	(28,358,401.00)
Total contract assets - current net	58,915,256.79	44,031,856.83	-	3,839,999.96
Contract assets - non current				
Retention receivables	30,806,722.90	42,371,359.31	-	-
Total contract assets – non current	30,806,722.90	42,371,359.31	-	-
Contract liabilities				
Advance received from employers	25,923,458.00	42,243,479.24	-	9,226,379.44
Total contract liabilities	25,923,458.00	42,243,479.24	-	9,226,379.44

The movement of allowance for expected credit loss-contractual assets for the year ended December 31, 2023 and 2022 as follow :-

	(Unit : Baht)	
	<u>Consolidated /Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Beginning balance	(28,358,401.00)	(28,358,401.00)
Reversal during the year	3,166,986.78	-
Ending balance	(25,191,414.22)	(28,358,401.00)

9.2 Revenue recognised in relation to contract balances

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue recognised that was included in contract				
liabilities at the beginning of the year	16,320,021.24	20,662,574.94	-	88,555.28
Revenue recognised from changes in variable				
considerations of performance obligations				
satisfied in previous years	-	-	-	-

9.3 Revenue to be recognised for the remaining performance obligations

As at December 31, 2023, the Group revenue is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied or partially unsatisfied totalling amount of Baht 106.86 million (As at December 31, 2022, the Group revenue is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied or partially unsatisfied totalling amount of Baht 173.41 million). The Group expects to satisfy these performance obligations within 1 year.

9.4 Contract assets - unbilled receivables

As at December 31, 2023, for the consolidated financial statements the balances of unbilled receivables which net of allowance for expected credit loss amount of Baht 56.16 million is expected to bill with customers within 1 year (As at December 31, 2022, amount of Baht 36.17 million is expected to bill with customers within 1 year).

As at December 31, 2022, for the separate financial statements the balances of unbilled receivables which net of allowance for expected credit loss amount of Baht 3.84 million was a lawsuit where the Company is involved in litigation with the contracting party. The company has liabilities exceeding the value of assets under the contract as mentioned in note to financial statements No. 35.2

10. Inventories and construction materials

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Construction materials	29,186,398.69	29,112,855.77	170,754.41	170,754.41
Finished goods	32,943.24	-	32,943.24	-
Work in progress	2,566,611.08	2,566,611.08	2,566,611.08	2,566,611.08
Total	31,785,953.01	31,679,466.85	2,770,308.73	2,737,365.49
<u>Less</u> Allowances for decline in value of				
Inventories and construction materials	(2,737,365.49)	(2,566,611.08)	(2,737,365.49)	(2,566,611.08)
Net	29,048,587.52	29,112,855.77	32,943.24	170,754.41

The movement of allowances for decline in value of non-movement inventories and construction materials for the years ended December 31, 2023 and 2022 was as follows: -

(Unit : Baht)

	<u>Consolidated /Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Beginning balance	(2,566,611.08)	(2,566,611.08)
Allowance increased during the year	(170,754.41)	-
Ending balance	(2,737,365.49)	(2,566,611.08)

11. Short-term loan to other party

(Unit : Baht)

	<u>Consolidated /Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Loan to other party	500,000.00	500,000.00
<u>Less</u> Allowance for expected credit loss	(500,000.00)	(500,000.00)
Ending balance	-	-

As at December 31, 2023 and 2022, Short-term loans to other party (Subcontractor) is loan in from of agreement, which has interest rate of 5.47% per annum for both period. The Group has recognized an allowance for expected credit losses for the whole amount and ceased revenue recognition for interest income.

For the year ended December 31,2023 and 2022, no movement of allowance for expected credit loss short-term loan to other party.

12. Other non-current financial assets

As at December 31, 2022 other non-current financial assets amount of Baht 3.88 million were bank deposit that were collateral for issuing letters of guarantee for the Company construction projects, Subsequently, in August 2023, the Company received a notice from bank which request repayment to the bank from bank of guarantee obligation of the lawsuit as mentioned in note to financial statement No. 35.2. The bank already paid on behalf of the Company amount of Baht 8.53 million, and settlement of the Company's all bank deposit with the bank amount of Baht 3.91 million. The remaining amount of Baht 4.62 million, which is recognized to long-term loan from financial institution as mentioned in note to financial statement No. 24.

As at December 31, 2023 and 2022 remaining bank deposit amount of Baht 0.32 million as the collateral against the issuance of the letter of guarantee from a commercial bank for the construction project and guarantee against the short-term loan granted by a commercial bank as mentioned in note to financial statements No. 34.2.

13. Investment in subsidiaries

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiaries in the separate financial statement can be summarized as follows :-

<u>Name of Company</u>	<u>Paid-up capital</u>		<u>% of holding</u>		<u>Cost Method</u>		<u>Dividened</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Subsidiaries don't having non-controlling interests</u>								
Hydrotek-Chaisarit Joint Venture *	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Hydrotek Utilities Co., Ltd.	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Sahahydro Joint Venture **	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Sahahydro Pathumthani 2 Joint Venture ***	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Hydro-Rinrat Joint Venture ****	1,000	1,000	100.00	100.00	1,000	1,000	-	-
Total					5,000	5,000	-	-
<u>Less</u> Allowance for impairment					(1,415)	(1,380)	-	-
Net					3,585	3,620	-	-
<u>Subsidiaries having immaterial non-controlling interests</u>								
Hydrotek Supreme Mandalay Co.,Ltd. *****	-	-	-	-	-	-	-	-
<u>Less</u> Allowance for impairment					-	-	-	-
Net					-	-	-	-

(Unit : Thousand Baht)

*October, 2014, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture. Thus, Hydrotek Public Company Limited is the sole venturer in Hydrotek-Chaisarit joint venture with the 100.00% shareholding.

**July, 2018, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture. Thus, Hydrotek Public Company Limited is the sole venturer in Sahahydro Joint Venture with the 100.00% shareholding.

*** October 2020, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture. Thus, Hydrotek Public Company Limited is the sole venturer in Sahahydro Pathumthani2 joint venture with the 100.00% shareholding.

**** January 2021, the first amendment to the agreement has been entered into, which both parties agreed to, Hydrotek would be solely responsible for the operation of the said joint venture. Thus, Hydrotek Public Company Limited is the sole venturer in Hydro-Rinrat joint venture with the 100.00% shareholding.

***** July, 2015, the Company has incorporated Hydrotek Supreme Mandalay Co., Ltd. in Republic of the Union of Myanmar. The Company holds 80% of the registered capital of USD 500,000.00. This company has been incorporated to obtain permit for the investment to construct the waste water treatment plant and waste collection system in Mandalay industrial zone.

Hydrotek Supreme Mandalay Co.,Ltd

During October 2015, the Mandalay Region Government, Mandalay City Development Committee (MCDC) has signed the concession agreement granting Hydrotek Supreme Mandalay Co., Ltd. the concession in operating Mandalay Industrial Zone Central Wastewater Treatment Plant and Collecting System Project (CWWTP) by construct the said project within 2 years from the date the approval has been granted from MCDC to commence the construction on the land provided by MCDC (excluding the extension of the construction year, if any) and provide waste water treatment service in exchange of the right to collect service fee from the customers of the said industrial zone for the year of 30 years (the term can be extended for 10 years at a time for not more than 2 times). Furthermore, MCDC shall pay the compensation to the subsidiary if the said operator's wastewater treatment volume is less than the level specified in the service concession arrangement. The said service concession arrangement also stipulated that at the end of the service concession arrangement term, the subsidiary shall transfer the asset ownership of the said project to MCDC without receiving any payment. The Group has recognized one portion of the compensations that the subsidiary received from the construction of the wastewater treatment system under the said service concession arrangement to financial asset and another portion in amount of Baht 4.95 million is recognized as intangible assets under the consolidated financial statements.

In 2019, the Company recognized the entire amount of allowance for expected credit loss of receivables under the concession agreements and loss from impairment of intangible assets under the said concession, including the investment in Hydrotek Supreme Mandalay Co., Ltd (a subsidiary). Because of the total quality of wastewater outlet from the Mandalay industrial Zone was significant higher when compared with agreement in the contract. In order to deal with this issue, land requirement and wastewater tariff will be significantly increased. However, MCDC could not either provide additional land area and accept for increasing of wastewater tariff. In case that subsidiary need to continue this project with the same condition in the contract, the return will not be worth. Therefore both parties have a plan to terminate the concession agreement and each others will be agree to no claim any damages against. At present, the subsidiary has drafted the notice for termination agreement with MCDC. However, the coronavirus disease 2019 pandemic and political situation cause both of them to be unable to complete the signing.

Later, In according with minutes of the Company's board of directors' meeting No.12/2022 date on December 8, 2022, has resolution to approve to dispose ordinary shares of Hydrotek Supreme Mandalay Co.,Ltd. (subsidiary) amount of 458,000 shares to unrelated person, sold at the price of 0.0022 Baht per share, equivalent to amount of Baht 1,000.00 which was completed on December 28, 2022. In this regard, the Company has control in such subsidiary that day Therefore, does not include the statement of financial position of the subsidiary company in the consolidated statement of financial position as at December 31, 2022, but include its financial performance and cash flows from January 1, 2022 to December 28, 2022 in the consolidated statements of comprehensive income and cash flows. As a result, the disposal of investment had a loss from disposal of investment in subsidiary company in amount of Baht 1.46 million and a loss of exchange rate from investment in subsidiary amount of Baht 1.81 million in the consolidated financial statement and had gain from the disposal of investment amount of Baht 1,000 in the separate financial statement.

As at the date of Hydrotek Supreme Mandalay Co., Ltd. ended its status to be an subsidiary, the net asset value of such company, are as follow :-

	(Unit : Baht)
Total assets	2,621,409.11
Total liabilities	(844,974.64)
Net assets	1,776,434.47
Net assets consisted of :-	
Share capital and deficits	4,039,749.59
Difference exchange rate from conversion of financial statement	(2,263,315.12)
Net assets	1,776,434.47
Other receivable from disposal of investment	1,000.00
<u>Less</u> Cash and cash equivalents of subsidiary	(107,512.95)
Cash paid from disposal of investment	(106,512.95)

The movement of allowance for impairment of investment in subsidiaries for the years ended December 31, 2023 and 2022 are as follows : -

	(Unit : Baht)	
	<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Beginning balance	(1,380,000.00)	(17,261,977.60)
Allowance increased during the year	(35,000.00)	(380,000.00)
Write-off during the year	-	16,261,977.60
Ending balance	(1,415,000.00)	(1,380,000.00)

14. Investment in joint venture

The nature and carrying value of investment in associate and joint venture can be summarized as follows :-

(Unit : Thousand Baht)										
Name of Company	Nature of business	Country of incorporation	Joint venture capital		% of holding		Equity Method		Cost Method	
			2023	2022	2023	2022	2023	2022	2023	2022
Prime-Hydrotek Construction Joint Venture.	Construction of a high-speed train station building	Thailand	1,000	1,000	49.00	49.00	601	521	490	490
Net							601	521	490	490

Prime-Hydrotek Construction Joint Venture

In August 2022, the Company registered a Prime-Hydrotek Construction Joint Venture for construction of high-speed train station. The Company has a joint investment ratio of 49.00% and investment in joint venture in amount of Baht 490,000.00. Joint venture agreement contains conditions if the joint venture was taken a loss the Company agrees to be responsible for compensation to the partner, including determination of the variable rate of benefit sharing that the Company will be reduced rate of sharing in the case that the profit is less than the estimation and will be received an additional benefit sharing in the case that the profit is greater than the estimation.

The financial information of the joint venture can be summarized as follows :-

	(Unit : Baht)	
	<u>For the year ended</u>	<u>For the period from</u>
	<u>December 31, 2023</u>	<u>August 4 to December 31, 2022</u>
Revenues	4,971,519.95	10,212,643.34
Profit from continuous operation	163,375.33	62,640.77
Other comprehensive income	-	-
Total comprehensive income	163,375.33	62,640.77

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Current assets	16,060,407.49	11,313,109.45
Non-current assets	144,514.74	180,713.87
Current liabilities	(14,978,906.13)	(10,431,182.55)
Net Assets	<u>1,226,016.10</u>	<u>1,062,640.77</u>

The reconciliations of each financial information with book value that record by equity method in consolidated financial statements as follows :-

	(Unit : Baht)	
	<u>2023</u>	<u>2022</u>
Net assets of the joint venture	1,226,016.10	1,062,640.77
Shareholding of the company (%)	49.00	49.00
Book value for equity method	<u>600,747.89</u>	<u>520,693.98</u>

15. Long-term loan to other party

	(Unit : Baht)	
	<u>Consolidated /Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Long-term loan from other party	13,527,636.99	13,527,636.99
<u>Less</u> Allowance for expected credit loss	(13,527,636.99)	(13,527,636.99)
Net	<u>-</u>	<u>-</u>

As at December 31, 2023 and 2022, long-term loans is loans to SUT Global Co.,Ltd, which former was a subsidiary of the Company and the Company sold its investment in such company on September 27, 2019. The loans is loans agreement with repayment year in 10 years and the interest rate of 8.50% per annum. The repayment must be paid interest and principle every 3 month. The principal paid the first installment in March 2025 and the last installment in December 2029. The Company has recognized an allowance for expected credit losses for the whole amount.

16. Investments property

	(Unit : Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Cost:-		
As at January 1,	3,000,000.00	3,000,000.00
As at December 31,	3,000,000.00	3,000,000.00
Allowance for impairment : -		
As at January 1,	(819,250.00)	(819,250.00)
As at December 31,	(819,250.00)	(819,250.00)
Net book value :-		
As at December 31,	2,180,750.00	2,180,750.00

As at December 31, 2023 and 2022, the fair value of investment property is amount of Baht 2.18 million which is in accordance the valuation report dated on January 2020. The independent appraiser (Agency for Real Estate Affairs Co., Ltd.) appraises the value of land by applying the market price comparison approach (based on the highest and best use principle) by using the bid price of other land having similar characteristic with the land of Company. The fair value of investment property is hierarchical level 2.

As at December 31, 2023, the Company has submit a request for a stay of execution of the Appeal Court by offer their investment property to collateral. The court is in the process of considering the acceptance of the security as mentioned in note to financial statements No.35.3.

17. Equipment

(Unit : Baht)

	Consolidated financial statements				Total
	Building improvement	Tools and equipments	Office equipments and furniture	Vehicles	
Cost :-					
As at January 1, 2022	271,875.89	51,620,925.43	6,850,238.94	9,159,073.36	67,902,113.62
Purchase	-	1,652,872.34	208,070.00	-	1,860,942.34
As at December 31, 2022	271,875.89	53,273,797.77	7,058,308.94	9,159,073.36	69,763,055.96
Purchase	-	-	86,895.79	-	86,895.79
Sales	-	-	-	(4,559,050.00)	(4,559,050.00)
As at December 31, 2023	271,875.89	53,273,797.77	7,145,204.73	4,600,023.36	65,290,901.75
Accumulated depreciation :-					
As at January 1, 2022	(90,527.72)	(9,225,677.13)	(5,872,147.74)	(5,879,612.02)	(21,067,964.61)
Depreciation for the year	(54,374.77)	(2,041,025.09)	(219,111.91)	-	(2,314,511.77)
As at December 31, 2022	(144,902.49)	(11,266,702.22)	(6,091,259.65)	(5,879,612.02)	(23,382,476.38)
Depreciation for the year	(51,488.49)	(1,487,634.43)	(237,399.13)	-	(1,776,522.05)
Depreciation for sale	-	-	-	3,331,050.00	3,331,050.00
As at December 31, 2023	(196,390.98)	(12,754,336.65)	(6,328,658.78)	(2,548,562.02)	(21,827,948.43)
Allowance for impairment :-					
As at January 1, 2022	-	(24,890,680.30)	-	-	(24,890,680.30)
As at December 31, 2022	-	(24,890,680.30)	-	-	(24,890,680.30)
Increase	-	(11,711,861.48)	-	-	(11,711,861.48)
As at December 31, 2023	-	(36,602,541.78)	-	-	(36,602,541.78)
Book value net :-					
As at December 31, 2022	126,973.40	17,116,415.25	967,049.29	3,279,461.34	21,489,899.28
As at December 31, 2023	75,484.91	3,916,919.34	816,545.95	2,051,461.34	6,860,411.54
The depreciation in profit or loss for the year :-					
Ended December 31, 2022					2,314,511.77
Ended December 31, 2023					1,776,522.05

(Unit : Baht)

Separate financial statements

	Building improvement	Tools and equipments	Office equipments and furniture	Vehicles	Total
Cost :-					
As at January 1, 2022	271,875.89	51,345,127.07	6,456,651.40	9,159,073.36	67,232,727.72
Purchase	-	1,652,872.34	186,900.00	-	1,839,772.34
As at December 31, 2022	271,875.89	52,997,999.41	6,643,551.40	9,159,073.36	69,072,500.06
Purchase	-	-	86,895.79	-	86,895.79
Sales	-	-	-	(4,559,050.00)	(4,559,050.00)
As at December 31, 2023	271,875.89	52,997,999.41	6,730,447.19	4,600,023.36	64,600,345.85
Accumulated depreciation :-					
As at January 1, 2022	(90,527.72)	(9,318,012.97)	(5,460,233.25)	(5,879,612.02)	(20,748,385.96)
Depreciation for the year	(54,374.77)	(1,998,587.12)	(200,899.91)	-	(2,253,861.80)
As at December 31, 2022	(144,902.49)	(11,316,600.09)	(5,661,133.16)	(5,879,612.02)	(23,002,247.76)
Depreciation for the year	(51,488.49)	(1,445,196.46)	(215,057.77)	-	(1,711,742.72)
Depreciation for sale	-	-	-	3,331,050.00	3,331,050.00
As at December 31, 2023	(196,390.98)	(12,761,796.55)	(5,876,190.93)	(2,548,562.02)	(21,382,940.48)
Allowance for impairment :-					
As at January 1, 2022	-	(24,890,680.30)	-	-	(24,890,680.30)
As at December 31, 2022	-	(24,890,680.30)	-	-	(24,890,680.30)
Increase	-	(11,711,861.48)	-	-	(11,711,861.48)
As at December 31, 2023	-	(36,602,541.78)	-	-	(36,602,541.78)
Book value net :-					
As at December 31, 2022	126,973.40	16,790,719.02	982,418.24	3,279,461.34	21,179,572.00
As at December 31, 2023	75,484.91	3,633,661.08	854,256.26	2,051,461.34	6,614,863.59
The depreciation in profit or loss for the year :-					
Ended December 31, 2022					2,253,861.80
Ended December 31, 2023					1,711,742.72

As at December 31, 2023 and 2022, certain equipment of the Group have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 13.00 million and amount of Baht 17.53 million respectively.

As at December 31, 2023 and 2022, certain equipment of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 12.78 million and amount of Baht 17.32 million respectively.

As of December 31, 2023 and 2022, a tools and equipment with a book value of Baht 11.71 million and Baht 12.48 million, respectively was equipment and machinery installed in the factory of a certain company under the RO Water Treatment Agreement which have conditions for providing additional water treatment services for wastewater recycling and have a reverse osmosis system for operation. However, the said equipment and machinery cannot treat the water according to the standards criteria as agreed in the contract. The Company has made efforts to continuously to rectify and solve the ongoing issues but has been unable to resolve them. In 2023, the Company recognized allowance for impairment losses of tools and equipment in whole amount.

18. Right-of-use assets

(Unit : Baht)

	Consolidated financial statements				
	Land	Building	Office equipments	Vehicles	Total
Cost :-					
As at January 1, 2022	2,815,394.48	8,265,192.93	253,023.96	4,529,951.57	15,863,562.94
Increase in right-of-use assets	-	311,143.76	-	45,422.17	356,565.93
Received from deposit during the year	-	(32,000.00)	-	(29,000.00)	(61,000.00)
Write-off	-	-	(253,023.96)	-	(253,023.96)
As at December 31, 2022	2,815,394.48	8,544,336.69	-	4,546,373.74	15,906,104.91
Increase in right-of-use assets	-	-	188,610.05	-	188,610.05
Received from deposit during the year	-	(30,000.00)	-	-	(30,000.00)
Write-off	-	(223,655.30)	(183,858.64)	(1,212,435.14)	(1,619,949.08)
As at December 31, 2023	2,815,394.48	8,290,681.39	4,751.41	3,333,938.60	14,444,765.88
Accumulated depreciation :-					
As at January 1, 2022	(175,649.13)	(3,614,705.94)	(197,541.28)	(2,336,987.68)	(6,324,884.03)
Depreciation for the year	(110,544.62)	(1,951,507.67)	(55,482.68)	(794,623.36)	(2,912,158.33)
Write-off	-	-	253,023.96	-	253,023.96
As at December 31, 2022	(286,193.75)	(5,566,213.61)	-	(3,131,611.04)	(8,984,018.40)
Depreciation for the year	(110,544.63)	(1,595,091.47)	(49,314.19)	(343,343.65)	(2,098,293.94)
Write-off	-	223,655.30	183,858.64	1,212,435.14	1,619,949.08
As at December 31, 2023	(396,738.38)	(6,937,649.78)	134,544.45	(2,262,519.55)	(9,462,363.26)
Book value :-					
As at December 31, 2022	2,529,200.73	2,978,123.08	-	1,414,762.70	6,922,086.51
As at December 31, 2023	2,418,656.10	1,353,031.61	139,295.86	1,071,419.05	4,982,402.62

(Unit : Baht)

Depreciation was show in profit or loss for the year :-

Ended on December 31, 2022 2,912,158.33

Ended on December 31, 2023 2,098,293.94

(Unit : Baht)

	Separate financial statements				
	Land	Building	Office equipments	Vehicles	Total
Cost :-					
As at January 1, 2022	2,765,433.07	7,846,000.88	253,023.96	2,648,457.92	13,512,915.83
Increase in right-of-use assets	-	311,143.76	-	57,286.65	368,430.41
Received from deposit during the year	-	(32,000.00)	-	(29,000.00)	(61,000.00)
Write-off	-	-	(253,023.96)	-	(253,023.96)
As at December 31, 2022	2,765,433.07	8,125,144.64	-	2,676,744.57	13,567,322.28
Increase in right-of-use assets	-	-	188,610.05	-	188,610.05
Received from deposit during the year	-	(30,000.00)	-	-	(30,000.00)
As at December 31, 2023	2,765,433.07	8,095,144.64	188,610.05	2,676,744.57	13,725,932.33
Accumulated depreciation :-					
As at January 1, 2022	(125,687.72)	(3,262,255.80)	(197,541.29)	(861,351.58)	(4,446,836.39)
Depreciation for the year	(110,544.62)	(1,884,765.76)	(55,482.67)	(400,630.29)	(2,451,423.34)
Write-off	-	-	253,023.96	-	253,023.96
As at December 31, 2022	(236,232.34)	(5,147,021.56)	-	(1,261,981.87)	(6,645,235.77)
Depreciation for the year	(110,544.63)	(1,595,091.47)	(49,314.19)	(343,343.65)	(2,098,293.94)
As at December 31, 2023	(346,776.97)	(6,742,113.03)	(49,314.19)	(1,605,325.52)	(8,743,529.71)
Book value :-					
As at December 31, 2022	2,529,200.73	2,978,123.08	-	1,414,762.70	6,922,086.51
As at December 31, 2023	2,418,656.10	1,353,031.61	139,295.86	1,071,419.05	4,982,402.62

Depreciation was show in profit or loss for the year :-

Ended on December 31, 2022 2,451,423.34

Ended on December 31, 2023 2,098,293.94

19. Intangible assets

(Unit : Baht)

	Consolidated financial statements		
	Computer software	Rights under the concession agreement	Total
Cost :-			
As at January 1, 2022	3,884,317.78	113,553,698.48	117,438,016.26
Transfer out from disposal of investment in subsidiary	-	(4,957,659.96)	(4,957,659.96)
As at December 31, 2022	3,884,317.78	108,596,038.52	112,480,356.30
As at December 31, 2023	3,884,317.78	108,596,038.52	112,480,356.30
Accumulated amortization :-			
As at January 1, 2022	(3,584,928.66)	-	(3,584,928.66)
Amortization for the year	(70,286.07)	-	(70,286.07)
As at December 31, 2022	(3,655,214.73)	-	(3,655,214.73)
Amortization for the year	(58,450.35)	-	(58,450.35)
As at December 31, 2023	(3,713,665.08)	-	(3,713,665.08)
Allowance for impairment :-			
As at January 1, 2022	-	(4,957,659.96)	(4,957,659.96)
Transfer out from disposal of investment in subsidiary	-	4,957,659.96	4,957,659.96
As at December 31, 2022	-	-	-
As at December 31, 2023	-	-	-
Net book value :-			
As at December 31, 2022	229,103.05	108,596,038.52	108,825,141.57
As at December 31, 2023	170,652.70	108,596,038.52	108,766,691.22
Amortization was shown in profit or loss the year :-			
Ended on December 31, 2022			70,286.07
Ended on December 31, 2023			58,450.35

(Unit : Baht)

	Separate financial statements		
	Rights under the		Total
	Computer software	concession agreement	
Cost :-			
As at January 1, 2022	3,483,710.56	108,596,038.52	112,079,749.08
As at December 31, 2022	3,483,710.56	108,596,038.52	112,079,749.08
As at December 31, 2023	3,483,710.56	108,596,038.52	112,079,749.08
Accumulated amortization :-			
As at January 1, 2022	(3,217,872.00)	-	(3,217,872.00)
Amortization for the year	(50,286.05)	-	(50,286.05)
As at December 31, 2022	(3,268,158.05)	-	(3,268,158.05)
Amortization for the year	(50,286.05)	-	(50,286.05)
As at December 31, 2023	(3,318,444.10)	-	(3,318,444.10)
Net book value :-			
As at December 31, 2022	215,552.51	108,596,038.52	108,811,591.03
As at December 31, 2023	165,266.46	108,596,038.52	108,761,304.98

Amortization was shown in profit or loss the year :-

Ended on December 31, 2022	50,286.05
Ended on December 31, 2023	50,286.05

As at December 31, 2023 and 2022 an intangible assets amount of Baht 108.60 million was rights under the concession agreement which the Company entered into an agreement in 2015 with a Tambon government sector for the construction of the water treatment plant and distribution of the tap water to water consumers in 5 municipal area. for the period of 9 years. Later in January 2019, the Ministry of Natural Resources and Environment signed a concession to operate a tap water distribution plant for areas in all 5 municipalities. The company has received rights under the concession agreement for 2 concessions. The first concession has a period of 25 years, expiring on January 21, 2044. The second concession has a period of 25 years, expiring on January 21, 2044. The rights under the concession agreement have been assigned to the company to construct a water treatment plant within 24 months from the date the permission has been granted by the Ministry of Natural Resources and Environment, which was later extended to date January 20, 2022. The concession agreement stipulate the Company to distribute the tap water to the water consumers in the concession area, which the water tariffs can be charged at the rate stipulated in the said concession agreement. Furthermore, the said concession agreement included the additional conditions for the government sectors to have the option to purchase the entire water supply business from the Company when the concession term expired and in the case where the government agency does not wish to purchase and the Company intends to continue operate. The Company can notify its intention before the concession expires. The Company recognized the compensation that received from the construction of the water treatment plant under the said concession agreement as intangible asset in the financial statements.

In carrying out the construction project for a tap water production and distribution plant, the Company, Hydrotek Utility Co., Ltd. (subsidiary) and Yunnan Water (Hong Kong) Co., Ltd. and Yunnan Water Investment Co., Ltd. have signed an EPC Contract and an Investment Agreement, which were later amended several times. The Company will be responsible for the construction of a water treatment plant and provide land for project location. Yunnan Water (Hong Kong) Company Limited will provide investment funds to the company for use in construction in the amount of Baht 285 million. When the construction project is completed, the plants will be transferred to Hydrotek Utility Co., Ltd. and Yunnan Water (Hong Kong) Co., Ltd. shall have the option to choose to receive repayment in the form of money with interest of 6.75% or choose to change to investment in Hydrotek Utility Co., Ltd., with the shareholding proportion set at 49%. However, during the construction the company has purchased equipment and machinery for water system with Yunnan Water (Hong Kong) Co., Ltd., with an advance payment for assets remaining in the amount of Baht 14.87 million. However, in December 2020, the parties enter into a new agreement according to the Settlement Agreement, the agreement defined the conditions to the Company must be complied within the period defined. If the company is unable to complete their task according to the agreement, Yunnan Water (Hong Kong) Co., Ltd. has the right to terminate the contract and call to the Company repayment the entire amount plus interest as mentioned in the note to the financial statements No.23.

The construction project is delay due to the situation of the outbreak of coronavirus disease 2019 (COVID-19) and the Company waited for approval letters from relevant government sector to allow entry into the area to carry out the laying of pipes for the water supply system which the Company has gradually received permission in August 2021, January 2022 and September 2022. However, there are still some areas that the Company need to be applied for permission with the relevant government sector which is under processing. The company's management confirmed that they still have the rights under the concession agreement and the Company has submit a letter requesting to extend the construction period for the tap water production plant and requesting permission to sell tap water in municipal areas which is under consideration by the relevant agencies.

Presently, the construction project for a tap water production hasn't been according to the plan. The Group has postponed its operational plans due to the Group and Yunnan Water (Hong Kong) Co.,Ltd. and Yunnan Water Investment Co.,Ltd. have disputes and filed a lawsuits between them. The case is currently being considered by the Civil Court as mentioned in Note to the financial statements No 35.5.

20. Trade and other payables-other parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade accounts payable	24,278,893.89	26,211,975.46	11,617,113.35	10,754,809.11
Other payables and other provision liabilities	37,848,574.96	13,151,799.47	24,117,274.72	11,202,013.82
Retention payables	13,475,469.35	13,545,990.35	11,168,579.84	11,148,239.84
Post dated cheques payable	9,657,203.59	1,898,789.67	-	-
Accrued interest	73,014,455.76	67,459,006.41	73,014,455.76	67,459,006.41
Total	158,274,597.55	122,267,561.36	119,917,423.67	100,564,069.18

21. Short-term loan from other party

(Unit : Baht)

	<u>Consolidated</u> <u>financial statements</u>	<u>Separate</u> <u>financial statements</u>
Beginning balance	-	-
Addition during the year	250,000.00	-
Decrease from offsetting with other-receivables during the year	(250,000.00)	-
Ending balance	-	-

During the period, a subsidiary has short-term loan from other party in the form of promissory notes, at call and interest are carried by the rate of 7.00% per annum.

22. Lease liabilities

Changes in the lease liabilities are as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease liabilities at the beginning of year	6,178,544.47	8,669,788.42	6,178,544.47	8,182,124.49
Increase contract during the year	188,610.05	356,565.93	188,610.05	368,430.41
Repayment during the year	(1,956,459.40)	(2,847,809.88)	(1,956,459.40)	(2,372,010.43)
Lease liabilities at the end of year	4,410,695.12	6,178,544.47	4,410,695.12	6,178,544.47

A maturity analysis of lease payment is as follows :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>		
	<u>2023</u>		
	<u>Lease liabilities</u>	<u>Deferred interest expenses</u>	<u>Net</u>
Within 1 year	1,606,894.62	(177,193.17)	1,429,701.45
Over 1 year but not Over 5 years	769,981.66	(549,923.90)	220,057.76
Over 5 years	4,107,859.98	(1,346,924.07)	2,760,935.91
Total	6,484,736.26	(2,074,041.14)	4,410,695.12

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>		
	<u>2022</u>		
	<u>Lease liabilities</u>	<u>Deferred interest expenses</u>	<u>Net</u>
Within 1 year	2,336,919.25	(270,039.76)	2,066,879.49
Over 1 year but not Over 5 years	2,064,945.66	(581,609.37)	1,483,336.29
Over 5 years	4,107,859.98	(1,479,531.29)	2,628,328.69
Total	8,509,724.89	(2,331,180.42)	6,178,544.47

The Group and the Company has entered into the contract of leases with several lessor companies so as to lease land, buildings, vehicles and office equipment. The leased contracts determine leased fee repayment as monthly installment from Baht 4,600.00 to Baht 142,680.00 per month. The leased year is carried 1-4 years and Baht 155,530.62 per year. The leased year is carried 25 years.

For the year ended December 31, 2023 and 2022 transactions relates to lease are as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finance cost relating to leases	280,129.23	422,320.69	280,129.23	382,289.52
Expenses relating to short-term leases	-	691,475.39	-	268,076.69
Cash out flow for leases	2,236,588.63	3,270,130.57	2,236,588.63	2,754,299.95

23. Long-term loans from other party

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Long-term loans	125,644,786.50	125,644,786.50
<u>Less</u> Current portion of long-term loans from other party	(125,644,786.50)	(125,644,786.50)
Net	-	-

Long-term loan from financial institutions - minimum payments :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Within 1 years	125,644,786.50	125,644,786.50
Over 1 year but not Over 5 years	-	-
Total	125,644,786.50	125,644,786.50

As at December 31, 2023 and 2022, the whole was long term loans due to Yunnan Water (Hong Kong) Company Limited, which was incorporated in Hong Kong, in order to be used for construction of a water treatment plant and sell tap water in which the Group has received the rights under the concession agreement with an interest rate of 6.75% per year. The principal is due to be repaid every year for a period of 5 years from the date of commercial operation dated of selling tap water. This is derived from the Company, Hydrotech Utility Company Limited, Yunnan Water (Hong Kong) Company Limited and Yunnan Water Investment Company Limited have entered into the EPC Contract and the Investment Agreement and the Settlement Agreement as mention in the notes to the financial statements 19. Furthermore, such agreement granted the option to Yunnan Water (Hong Kong) Company Limited, to convert the loan to investment in 49% of the registered share capital of Hydrotek Utility Co., Ltd., a subsidiary, that will provide water management service when the construction of such project is completed and both parties will jointly control the Subsidiary.

On March 25, 2022, Yunnan Water (Hong Kong) Company Limited has sent a notice that requesting the Company to repay the whole amount of principal plus interest within 30 days due to the Company is unable to comply with some requirement as specified in the Settlement Agreement. Therefore, long-term loans from other party is classified to current liabilities in whole amount. Currently, the Group has filed a lawsuit against the counterparties to the Civil Court which the counterparties has filed a lawsuit counterclaim too. The case is under consideration by the Civil Court according to as mentioned in the note to the financial statements No 35.5.

24. Long-term loan from financial institution

	(Unit : Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Beginning balance	-	-
Addition during the year (Note no.36.2)	4,622,790.27	-
Repayment during the year	(32,468.01)	-
Ending balance	4,590,322.26	-
<u>Less</u> Current portion	(1,778,259.67)	-
Net	2,812,062.59	-

As at December 31, 2023, has long-term loan from financial institution and interest MLR per annum.

25. Employee benefit obligations

Changes in the present value of the employee benefit obligation in case of retirement or termination under the labor law for the year ended December 31, 2023 and 2022 are as follows :-

	(Unit : Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Employee benefit obligations at the beginning of the year	4,066,883.80	4,398,766.71
Current service cost	440,359.44	666,898.67
Interest cost	55,465.22	72,388.47
<u>Less</u> Benefit obligation paid	-	(1,133,000.00)
Actuarial (profit) loss arising from defined benefit plan	(1,865,830.26)	61,829.95
Employee benefit obligations at the ending of the year	2,696,878.23	4,066,883.80

Expenses recognized in statements of comprehensive income for the year ended December 31, 2023 and 2022, were as follows :-

	(Unit : Baht)	
	<u>Consolidated/Separate financial statement</u>	
	<u>2023</u>	<u>2022</u>
<u>Recognized in profit or loss</u>		
Administrative expenses	495,824.69	739,287.14
Total	495,824.69	739,287.14

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
<u>Recognized in other comprehensive income</u>		
Actuarial loss arising from defined benefit plan		
Part arising from changes in financial assumptions	(63,499.81)	(157,075.85)
Part arising from changes an improvement from experience	(1,802,330.45)	218,905.80
Total	(1,865,830.26)	61,829.95

Principal actuarial assumptions as at December 31, 2023 and 2022 are as follows :-

	<u>Consolidated/Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Discount rate at end of year	2.52%	1.77%
Future salary growth	4.00%	4.00%
Proportion of employees opting for early retirement	3.82% - 45.84%	3.82% - 45.84%

Changes in the actuarial assumption as at December 31, 2023 and 2022, are will affect to the employee benefit obligation as follows :-

(Unit : Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>
Discount rate increase 1%	(88,926.06)	(220,960.12)
Discount rate decrease 1%	97,456.93	242,636.63
Future salary growth increase 1%	90,858.58	223,435.89
Future salary growth decrease 1%	(84,482.55)	(207,725.33)
Employees turnover increase 20%	(103,454.94)	(257,212.04)
Employees turnover decrease 20%	122,170.07	302,417.21

26. Share capital

Consolidated/Separate financial statements					
	2023			2022	
	Per Value	Number of shares	Amount	Number of shares	Amount
	(Baht)	(Unit : Shares)	(Unit : Baht)	(Unit : Shares)	(Unit : Baht)
Registered share capital					
Ordinary shares at beginning of the year	1.00	311,925,504	311,925,504.00	2,402,799,158	2,402,799,158.00
<u>Less</u> Reduction of capital	1.00	-	-	(2,090,873,654)	(2,090,873,654.00)
<u>Add</u> Increment of capital	1.00	363,913,088	363,913,088.00	-	-
Ordinary shares at end of the year	1.00	675,838,592	675,838,592.00	311,925,504	311,925,504.00
Issue and paid-up share capital					
Ordinary shares at beginning of the year	1.00	311,925,504	311,925,504.00	2,304,683,037	2,304,683,037.00
<u>Less</u> Reduction of capital	1.00	-	-	(2,040,437,781)	(2,040,437,781.00)
<u>Add</u> Increment of capital	1.00	-	-	47,680,248	47,680,248.00
Ordinary shares at end of the year		311,925,504	311,925,504.00	311,925,504	311,925,504.00

26.1 In according with minute of the Annual General Meeting of Shareholders 2022 dated on April 25, 2022, approved to propose as follows :-

26.1.1 Approval the decrease of the registered capital of the Company in the amount of Baht 50,435,873.00 from the original registered capital Baht 674,286,881.00, to a new registered capital Baht 623,851,008.00, by reducing the registered capital that has not been sold in the amount of 50,435,873 shares, at the par value of Baht 1.00 per share, which is the shares that support the exercise of HYDRO-W1, which has expired the exercise year, and approve amend the memorandum of Association.

26.1.2 Approval to reduction of registered capital and paid-up capital by reducing the number of shares to eliminate the accumulated loss and approve the amendment of the Memorandum of Association by reducing the number of shares 311,925,504 shares, the par value of Baht 1.00 per share, according to the shareholding proportion of 2 , 2 existing ordinary share per 1 ordinary share after reduction (2:1) to eliminate the accumulated loss of the Company.

On May 5, 2022 the Company registered the reduction of registered capital the remaining shares from the reserve for the exercise of HYDRO-W1 from the registered capital of Baht 674,286,881.00 to a new registered capital of Baht 623,851,008.00 by reducing the registered capital that has not been sold in the amount of 50,435,873 shares at the par value of Baht 1.00 per share, which is the shares that support the exercise of HYDRO-W1, which has expired the exercise year as well as the Company amending the Memorandum of Association to comply with the reduction of registered and paid-up capital to the Department of Business Development, Ministry of Commerce.

On July 8, 2022, the Company registered the reduction of registered capital and paid-up capital of the Company by reducing the number of ordinary shares from the registered capital of Baht 623,851,008.00 to a new registered capital of 311,925,504 shares by reducing the number of shares 311,925,504 shares, the par value of Baht 1.00 per share,

according to the shareholding proportion of 2 existing ordinary share per 1 ordinary share after reduction to eliminate the accumulated loss of the Company as well as the Company amending the Memorandum of Association to comply with the reduction of registered and paid-up capital to the Department of Business Development, Ministry of Commerce, are in accordance with the resolution of the Annual General Meeting of Shareholder Year 2022.

The movement of shareholders' equity before include their operations for the year ended December 31, 2022 are as follows :-

	(Unit : Baht)				
	Ordinary shares	Premium on ordinary share	Discount on ordinary share	Deficits	
				Appropriated-legal reserve	Unappropriated
As at January 1, 2022	2,304,683,037.00	141,376,373.77	(1,276,585,171.06)	9,620,000.00	(1,072,994,416.43)
Decrease ordinary share capital	(2,040,437,781.00)	1,728,512,277.00	-	-	311,925,504.00
Appropriated-legal reserve eliminate deficit	-	-	-	(9,620,000.00)	9,620,000.00
Premium (discount) on ordinary share eliminate deficit	-	(1,869,888,650.77)	1,276,585,171.06	-	593,303,479.71
Increase ordinary share capital	47,680,248.00	-	-	-	-
As at December 31, 2022	311,925,504.00	-	-	-	158,145,432.72

26.2. In accordance with the Company's minute of the Annual General Meeting of Shareholders for the year 2023 held on April 25, 2023 has significant resolution as follows :-

26.2.1 Resolved to approve increase of the Company's registered capital general mandate in amount of Baht 187,155,300.00 from the existing registered capital in amount of Baht 311,925,504.00 to the new registered capital in amount of Baht 499,080,804.00 by issuing not exceeding, 187,155,300 shares, newly issued ordinary shares with the par value of Baht 1.00 per share and amendment of the Memorandum Company's of Association to comply with the increase of the Company's registered capital. Which the Company has registered the amendment to the Department of Business Development, Ministry of Commerce on May 26, 2023.

26.2.2 Resolved to approve the allocation of newly issued ordinary shares under a general mandate not exceeding, 187,155,300 shares, with the par value of Baht 1.00 per share as follows :-

- Allocation of newly issued ordinary shares in the amount not exceeding 93,577,650 shares, representing 30% of the paid-up capital, to offer to shareholders in proportion to their shareholding (RO).
- Allocation of newly issued ordinary shares in the amount not exceeding 62,385,100 shares, representing 20% of the paid-up capital, for sale to the general public (PO).
- Allocation of newly issued ordinary shares in the amount not exceeding 31,192,550 shares, representing 10% of the paid-up capital, for sale to a private placement (PP).

Therefore, allocation of newly issued ordinary shares under a general mandate be offered for sale at a price not less than Baht 0.50 per share.

- 26.3 In according with minute of Extraordinary General Meeting of Shareholders No. 1/2566 which will organize on December 14, 2023 has significant resolution as follows :-
- 26.3.1 Resolved to approve the capital to decrease of the Company's registered capital in the amount of Baht 187,155,300.00 from Baht 499,080,804.00 to the registered capital Baht 311,925,504.00 by canceling the registered but unissued ordinary shares in the number of 187,155,300.00 shares at a par value of Baht 1.00 per share. These are shares allocated to support the issuance and offering of additional common shares under a general mandate (General Mandate) which was approved by the 2023 Annual General Meeting of Shareholders on 25 April 2023 and the amendment of the Company's Memorandum of Association to be consistent with the reduction of the company's registered capital.
- 26.3.2 Resolved to approve the increase in the Company's registered capital in the amount Baht 363,913,088.00 from Baht 311,925,504.00 to the registered capital Baht 675,838,592.00 by issuing 363,913,088 ordinary shares with a par value of Baht 1.00 to offer for sale to existing shareholders in proportion to the shareholding each shareholder holds (Rights Offering) in the amount of 207,950,336 shares and to accommodate the exercise of rights according to the warrant to purchase additional ordinary shares of the company for the second time. (HYDRO-W2) in the amount of 155,962,762 units and the amendment of the Company's Memorandum of Association to be consistent with the reduction of the company's registered capital.
- 26.3.3 Resolved to approve the allotment of the capital increase shares in the number of 363,913,088 shares with a par value of Baht 1.00 per share to be offered for sale to existing shareholders in proportion to the shareholding held by each shareholder (Rights Offering) in the amount 207,950,336 shares at the ratio of 1.5 existing share to 1 new share, (If there are remainders arising from the calculation, the entire amount must be rounded off.) at the offering price of Baht 0.30 per share and the disclosed the extension of subscription period and payment for newly issued ordinary shares on 22 December 2023.
- 26.3.4 Resolved to approve issuance and sell warrants to purchase ordinary shares of the Company No. 2 (HYDRO-W2), amount not exceeding than 155,962,752 units to allocate to the Existing shareholders of the Company according to their shareholding ratio (Right Offering) in the ratio of 2 ordinary shares per 1 unit of warrant (Any fraction of shares from the calculation will be disregarded), the offering price is Baht 0.01 (one Satang) per unit. The term of the warrant is three years upon the issuance with the exercise price of Baht 0.40 (forty Baht). For the subscription of HYDRO-W2, the existing shareholders may indicate the intention to subscribe to the HYDRO-W2 that exceeds their rights (Excess Rights) allocated per the ratio at the same offering price, such shareholders will be allocated with the Excess Right of HYDRO-W2 upon that there is remaining of the HYDRO -W2 from the unexercised rights of the existing shareholders for those existing shareholders that indicated the intention to subscribe the Excess Right of HYDRO -W2, according to shareholdings ratio of each existing shareholder that subscribed the Excess Right, until there is no remaining of HYDRO -W2 allocation or no further HYDRO-W2 subscription.

The capital management

The Group constitutes purpose with respect to capital management in order to remain for ability in the continued operation and ability to appropriately provide remuneration to various group of participating interest while the Group will maintain capital in the level with the least risk.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

As at December 31, 2023 and 2022, the consolidated financial statements present the debt to equity ratio as 17.10 : 1 and 3.49 : 1 respectively, and the separate financial statements present the debt to equity ratio as 38.51 : 1 and 3.68 : 1 respectively.

27. Statutory reserve

Under the provisions of the Public Company Limited Act B.E.2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. This reserve is not available for dividend distribution.

28. Income tax expenses

The income tax expenses recognized in profit or loss for the year ended December 31, 2023 and 2022, are as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current tax expense	18,386.10	66,596.37	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	-	-	-	-
Total income tax expense	18,386.10	66,596.37	-	-

The relationship between tax expense and accounting loss for the year ended December 31, 2023 and 2022, are as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting loss before income tax	(71,696,511.03)	(80,653,368.01)	(66,837,604.67)	(81,185,915.99)
Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	(14,339,302.21)	(16,130,673.60)	(13,367,520.93)	(16,237,183.20)
Income that are not be taxable	(447,317.73)	(666,918.76)	(447,317.73)	(666,918.76)
Expenses that are not deductible in determining taxation profit	7,073,611.59	6,211,573.80	6,186,694.93	5,910,772.79
Expenses that are deductible at greater amount in taxation profit	(728,374.45)	(346,574.74)	(728,374.46)	(237,880.00)
Effect of transactions in which deferred tax assets are not recognized	42,017.00	-	-	-
Loss from operations not recognized as deferred tax asset	9,587,584.47	17,187,197.44	8,356,518.19	11,231,209.17
Effect of elimination entry on the consolidated financial statements	(1,206,604.77)	(6,188,007.77)	-	-
Income tax expense	18,386.10	66,596.37	-	-

Applicable tax rate	<u>2023</u>	<u>2022</u>
The Company and subsidiaries	20%	20%
The Company with capital less than 5 million Baht and revenue less than 30 million Baht		
- Net profit between 1-300,000 Baht	-	-
- Net profit between 300,000-1,000,000 Baht	15%	15%
- Net profit from 1,000,001 Baht	20%	20%

The deferred tax assets are not recognized in the statements of financial position consisted of :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Unused tax losses				
- Expire in next 1 year	8,294,527.44	20,268,887.89	8,186,467.52	19,665,532.42
- Expire in next 2 – 5 years	69,470,395.28	68,998,419.74	61,933,376.04	61,962,044.76
Temporary differences	24,850,983.04	23,498,220.86	34,662,273.73	32,623,510.19
Total	102,615,905.76	112,765,528.49	104,782,117.29	114,251,087.37

29. Expenses by nature

The following expenditure items of expense have been classified by nature for the year ended December 31, 2023 and 2022 are as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Construction material used	30,300,477.10	72,776,773.10	-	28,570.00
Subcontractor expenses	79,964,516.78	63,719,020.65	2,348,300.00	2,155,427.35
Project management expense	9,155,958.71	10,974,398.92	-	294,669.50
Staff expenses	15,750,270.46	20,990,452.65	15,749,592.46	20,600,458.68
Management benefit expense	6,132,951.89	8,092,951.90	6,132,951.89	8,092,951.90
Depreciation and amortization	3,933,266.34	5,296,956.17	3,860,322.71	4,755,571.19
Expected credit loss (reverse)	(2,936,986.78)	-	2,533,013.22	33,530,000.00
Impairment loss of value inventories	170,754.41	-	170,754.41	-
Impairment loss of equipment	11,711,861.48	-	11,711,861.48	-
Impairment loss on investment in subsidiary	-	-	35,000.00	380,000.00
Loss on disposal of investment in subsidiary	-	1,460,032.53	-	-
Loss on exchange rate from disposal of investment	-	1,810,652.10	-	-
Professional fee and other fee	16,231,020.03	15,276,100.97	15,698,018.03	14,697,232.97
Finance costs	9,357,704.35	9,495,463.86	9,433,680.68	9,567,354.12
Office expenses	4,704,384.13	5,340,503.16	3,870,628.02	4,307,167.90

30. Operating segments

The Group identifies the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and shall disclose the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group classifies the operating segment from the category of service. The Group has four operating segments which are consists of the construction service segment, operation and maintenance service segment, water operator of water treatment plant and wastewater treatment plant and other segments that consist of design and procure equipment.

The Group measures the profit or loss for each segment from the gross profit excluding the items of other income, interest revenue, gain or loss on exchange rate, other central expenses, finance cost and share of profit or loss in associate.

The segment operation for the year ended December 31, 2023 and 2022 are as follows :-

(Unit : Baht)

<u>Consolidated financial statements</u>						
<u>For the year ended December 31,</u>						
	<u>Construction</u>		<u>Services</u>		<u>Other segments</u>	<u>Total</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues from external customers	71,125,140.77	123,614,838.36	3,015,031.64	6,652,620.70	-	74,152,298.57
Gross profit (loss)	(6,674,212.95)	(27,123,784.24)	666,731.64	4,468,142.54	3,013.33	(22,655,641.70)
Other income					-	2,765,398.79
Administrative expenses						2,738,655.54
Finance cost						(59,179,791.40)
Share of profit on investment in joint venture						(9,357,704.35)
Loss before income tax expense						80,053.91
						(71,696,511.03)
						(80,653,368.01)

(Unit : Baht)

The reconciliations of each segment total assets to the Group's assets and other material items.

<u>Consolidated financial statements</u>						
<u>For the year ended December 31,</u>						
	<u>Construction</u>	<u>Services</u>		<u>Water operator of water treatment plant and wastewater recycle plant</u>		<u>Total</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation	64,779.33	578,671.60	-	-	3,810,036.66	4,647,998.50
Amortization	8,164.30	20,000.02	-	-	-	50,286.05
					-	58,450.35
					-	70,286.07

Information about geographical areas for the year ended December 31, 2023 and 2022 are as follows :-

(Unit : Baht)

<u>Consolidated financial statements</u>				
<u>For the year ended December 31,</u>				
	<u>Thailand</u>	<u>Myanmar</u>	<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues from external customers	74,152,298.57	130,267,459.06	-	74,152,298.57
Non-current assets (excluding financial instruments and deferred tax assets)	123,288,094.58	139,417,877.36	-	123,288,094.58
			-	139,417,877.36

For the year ended December 31, 2023, the Group has the revenue from service to 1 major customer in the amount of Baht 71.12 million earned by construction segment (For the year ended December 31, 2022 : 1 major customers in the amount of Baht 123.62 million earned by construction segment).

31. Revenue

The relationship between the revenue information disclosed for each reportable segment and a point in time for the year ended on December 31, 2023 and 2022, are as follows :-

(Unit: Million Baht)

	<u>Consolidated financial statements</u>					
	<u>Segment operation</u>					
	<u>Construction</u>		<u>Service and other</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue from external customers	71.12	123.62	3.03	6.65	74.15	130.27
Revenue about geographic areas						
- Thailand	71.12	123.62	3.03	6.65	74.15	130.27
- Overseas	-	-	-	-	-	-
Total	71.12	123.62	3.03	6.65	74.15	130.27
Revenue recognized when a performance obligation						
- satisfied at a point in time	-	-	-	-	-	-
- satisfied over time	71.12	123.62	3.03	6.65	74.15	130.27
Total	71.12	123.62	3.03	6.65	74.15	130.27

32. Financial instruments

32.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables and other financial assets and liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

32.1.1 Credit risk

The Group is exposed to credit risk primarily with respect to trade receivable, deposits with banks and other financial instruments. The maximum amount that The Group's may incur from credit is book value shown in the statements of financial position.

- Contract assets / Trade and other receivables

The Group manages the risks by adopting appropriate credit control policies including credit limit approval, financial position analysis of customers or counterparties and collection management. Therefore, the Group does not expect any material financial losses from credit risk. Credit approval of the Group's mostly are credited to government entities and private companies with good creditability. However, the Group expect no risk of debt repayment from related receivables due to the debtor has due in normal credit term and ability to pay debts.

An impairment analysis is performed at each reporting date to measure expected credit losses for groups of receivables with similar credit risk characteristics, with the rate of provision for expected credit losses used in the calculation based on age of the outstanding receivables for each group. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy, when appropriate.

- Deposits and other financial instruments with financial institutions

The Group manages the credit risks regarding deposits and other financial instruments with financial institutions by controlling in place to create an acceptable balance between the cost of risks and the cost of risk management. The credit risk on deposits and financial instrument with financial institutions are limited because the counterparties are banks with high credit-ratings.

32.1.2 Foreign currency risk

There is no significant impact on the Group's from the change in foreign currencies. However, the Group will consider to enter into forward exchange contracts to manage the risk as appropriate.

Analysis of the impact of changes in exchange rates

There is no significant impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

32.1.3 Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term loans from financial institutions, short-term and long-term loans from related persons and lease liabilities. Most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

As at December 31, 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Thousand Baht)

Consolidated financial statements							
2023							
	Fixed interest rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 years to 5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	1,061	1,391	2,452	0.05-0.550
Other receivables - related parties	-	-	-	-	7,168	7,168	-
Trade and other receivables - other parties	-	-	-	-	103,169	103,169	-
Contractual assets	-	-	-	-	89,722	89,722	-
Suspend input vat	-	-	-	-	4,384	4,384	-
Other non - current financial assets	-	-	-	321	-	321	0.85-0.98
Withholding tax	-	-	-	-	9,816	9,816	-
	-	-	-	1,382	215,650	217,032	
<u>Financial liabilities</u>							
Other payable - related person and parties	-	-	-	-	230	230	-
Trade and other payables - other parties	-	-	-	-	158,275	158,275	-
Contractual liabilities	-	-	-	-	25,923	25,923	-
Unbilled output tax	-	-	-	-	2,979	2,979	-
Short-term loan from related person and parties	11,950	-	-	-	-	11,950	0.50-7.50
Lease liabilities	1,430	220	2,761	-	-	4,411	5.47-6.00
Long - term loan from other party	125,645	-	-	-	-	125,645	6.75 - 8.25
Long - term loan from financial institution	1,778	2,812	-	-	-	4,590	7.05
	140,803	3,032	2,761	-	187,407	334,003	

(Unit : Thousand Baht)

Consolidated financial statements

2022

	Fixed interest rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 years to 5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	14,886	5,964	20,850	0.05-0.34
Other receivables - related parties	-	-	-	-	4,707	4,707	-
Trade and other receivables - other parties	-	-	-	-	100,779	100,779	-
Contractual assets	-	-	-	-	86,403	86,403	-
Suspend input vat	-	-	-	-	3,514	3,514	-
Other non-current financial assets	-	-	-	4,204	-	4,204	0.15-0.34
Withholding tax	-	-	-	-	14,913	14,913	-
	-	-	-	19,090	216,280	235,370	
<u>Financial liabilities</u>							
Trade and other payables - other parties	-	-	-	-	122,268	122,268	-
Contractual liabilities	-	-	-	-	42,243	42,243	-
Unbilled output tax	-	-	-	-	2,289	2,289	-
Lease liabilities	2,067	1,483	2,629	-	-	6,179	5.47-6.00
Long - term loan from other party	125,645	-	-	-	-	125,645	6.75-8.25
	127,712	1,483	2,629	-	166,800	298,624	

(Unit : Thousand Baht)

Separate financial statements

2023

	Fixed interest rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 years to 5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	155	1,286	1,441	0.500-0.550
Other receivables - related parties	-	-	-	-	142,494	142,494	-
Trade and other receivables - other parties	-	-	-	-	22,687	22,687	-
Suspend input vat	-	-	-	-	748	748	-
Other non - current financial assets	-	-	-	321	-	321	0.850-0.980
Withholding tax	-	-	-	-	3,855	3,855	-
	-	-	-	476	171,070	171,546	
<u>Financial liabilities</u>							
Other payable - related person and parties	-	-	-	-	3,824	3,824	-
Trade and other payables - other parties	-	-	-	-	119,917	119,917	-
Unbilled output tax	-	-	-	-	2,792	2,792	-
Short - term loan from related person and parties	27,262	-	-	-	-	27,262	7.50
Lease liabilities	1,430	220	2,761	-	-	4,411	5.47-6.00
Long - term loan from other party	125,645	-	-	-	-	125,645	6.75-8.25
Long - term loan from financial institution	1,778	2,812	-	-	-	4,590	7.50
	156,115	3,032	2,761	-	126,533	288,441	

(Unit : Thousand Baht)

Separate financial statements

2022

	Fixed interest rate			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 years to 5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	1,381	5,817	7,198	0.32
Other receivables - related parties	-	-	-	-	152,689	152,689	-
Trade and other receivables - other parties	-	-	-	-	21,964	21,964	-
Contractual assets	-	-	-	-	3,840	3,840	-
Suspend input vat	-	-	-	-	810	810	-
Other non - current financial assets	-	-	-	4,204	-	4,204	0.15-0.34
Withholding tax	-	-	-	-	4,951	4,951	-
	-	-	-	5,585	190,071	195,656	
<u>Financial liabilities</u>							
Other payable - related person and parties	-	-	-	-	3,518	3,518	-
Trade and other payables - other parties	-	-	-	-	100,564	100,564	-
Contractual liabilities	-	-	-	-	9,226	9,226	-
Unbilled output tax	-	-	-	-	2,272	2,272	-
Short - term loan to from related parties	-	15,574	-	-	-	15,574	0.50
Lease liabilities	2,067	1,483	2,629	-	-	6,179	5.47-6.00
Long - term loan from other party	125,645	-	-	-	-	125,645	6.75-8.25
	127,712	17,057	2,629	-	115,580	262,978	

Analysis of the impact of changes in interest rates

The Group has no significant impact on profit before tax due to changes in interest rates on contingent financial assets and liabilities.

32.1.4 Liquidity risk

The Group monitors the risk of a shortage of liquidity by assessing the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarizes the maturity profile of the Group's financial liabilities as at December 31, 2023 and 2022, based on contractual undiscounted cash flows :-

(Unit : Thousand Baht)

Consolidated financial statements					
2023					
	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
<u>Non-derivatives</u>					
Other payable - related person and parties	-	230	-	-	230
Trade and other payables - other parties	-	158,274	-	-	158,274
Contractual liabilities	-	25,923	-	-	25,923
Unbilled output tax	-	2,979	-	-	2,979
Short-term loan from related person and parties	11,950	-	-	-	11,950
Lease liabilities	-	1,430	220	2,761	4,411
Long - term loan from other party	-	125,645	-	-	125,645
Long - term loan from financial institution	-	1,778	2,812	-	4,590
Total non - derivatives	11,950	316,259	3,032	2,761	334,002

(Unit : Thousand Baht)

Consolidated financial statements					
2022					
	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
<u>Non-derivatives</u>					
Trade and other payables - other parties	-	122,268	-	-	122,268
Contractual liabilities	-	42,243	-	-	42,243
Unbilled output tax	-	2,289	-	-	2,289
Lease liabilities	-	2,067	1,483	2,629	6,179
Long - term loan from other party	-	125,645	-	-	125,645
Total non - derivatives	-	294,512	1,483	2,629	298,624

(Unit : Thousand Baht)

Separate financial statements

2023

	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
<u>Non-derivatives</u>					
Other payable - related person and parties	-	3,824	-	-	3,824
Trade and other payables - other parties	-	119,917	-	-	119,917
Unbilled output tax	-	2,792	-	-	2,792
Short-term loan from related person and parties	27,262	-	-	-	27,262
Lease liabilities	-	1,430	220	2,761	4,411
Short - term loan from other party	-	125,645	-	-	125,645
Long - term loan from financial institution	-	1,778	2,812	-	4,590
Total non - derivatives	27,262	255,386	3,032	2,761	288,441

(Unit : Thousand Baht)

Separate financial statements

2022

	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
<u>Non-derivatives</u>					
Other payable - related person and parties	-	3,518	-	-	3,518
Trade and other payables - other parties	-	100,564	-	-	100,564
Contractual liabilities	-	9,226	-	-	9,226
Unbilled output tax	-	2,272	-	-	2,272
Short - term loan to related parties	15,574	-	-	-	15,574
Lease liabilities	-	2,067	1,483	2,629	6,179
Long - term loan from other party	-	125,645	-	-	125,645
Total non - derivatives	15,574	243,292	1,483	2,629	262,978

32.1.5. Fair value measurement

Given that most of financial assets and financial liabilities are short-term or bear interest at rates close to market rates, and loans denominated in Thai Baht carry interest at market rates, the Group's management believes that the fair values of those financial assets and financial liabilities closely approximate their carrying values in the statement of financial position.

The financial assets and financial liabilities not measured the fair value in the statements of financial position are as follows :-

(Unit : Thousand Baht)			
Asstes	Consolidated/Separate financial statements		
	2023		Fair value hierarchy
	Carrying amount	Fair value	
<u>Financial assets</u>			
Other non - current financial assets	321	321	Level 2
<u>Financial liabilities</u>			
Long - term loan from other party	4,590	4,594	Level 2

(Unit : Thousand Baht)			
Asstes and liabilities	Consolidated/Separate financial statements		
	2022		Fair value hierarchy
	Carrying amount	Fair value	
<u>Financial assets</u>			
Other non - current financial assets	4,203	4,203	Level 2

The carrying amount of cash and cash equivalents, trade receivables, short-term loan and trade payables approximates the fair value.

The fair value of non-current contractual assets and other non-current financial assets are determined by using the discounted cash flow method. The contractual future cash inflows are discounted at the current market interest rate for similar financial instruments adjusted by counterparty risk.

The fair value of long-term loan from other party are determined by using the discounted cashflow method. The contractual future cash outflows are discounted at the current market interest rate for simila financial instruments enhanced by the Company's credit risk.

33. Fair value hierarchy

As at December 31, 2023 and 2022, the Group has assets and liabilities that are measured at fair value or disclosed fair value, classified by fair value hierarchy as follows :-

(Unit : Thousand Baht)

Consolidated/Separate financial statements				
2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment property	-	2,181	-	2,181

(Unit : Thousand Baht)

Consolidated/Separate financial statements				
2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment property	-	2,181	-	2,181

34. Obligation and contingent liabilities

34.1 The commitment of the construction subcontracts are as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Total amount of agreement	610,241,977.30	548,422,650.10	12,833,693.87	9,683,099.70
Recognized cost of construction	(470,287,863.11)	406,864,247.56	(9,465,052.08)	(4,130,881.01)
The remaining of non-operating work	139,954,114.19	141,558,402.54	3,368,641.79	5,552,218.69

34.2 Apart from various liability that reflects in the financial statements, the Group still constitutes obligation commitment contingent liability as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>					
	<u>2023</u>			<u>2022</u>		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	205.33	177.69	27.64	246.82	224.66	22.16

(Unit : Million Baht)

	<u>Separate financial statements</u>					
	<u>2023</u>			<u>2022</u>		
	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Credit line of letters of guarantee	32.54	4.90	27.64	32.54	10.34	22.16

The Group pledged bank deposit including transferal of the claimant right to receive the installment payment of project to the bank. The Group's deposit account has been pledged with the bank. When the money is received from the sales of the tap water, the bank would retain the money in the said account at the amount equivalent to the Company's obligation for that particular month

35. Litigations

- 35.1 In November 2016, the Company has filed a lawsuit to the Central Administrative Court against a contractual party to claims for Baht 52.57 million of construction service fees to be paid to the Company and a release of the guarantee money in accordance to the bank's letter of guarantee at Baht 10.60 million to the Company. The said contractual party has breached the contract for the construction of waste collection and wastewater treatment systems by notifying the termination of the said contract without any default or defect created by the Company. In March 2017, the said counter party has filed a counterclaim to the Central Administrative Court demanding compensation of Baht 52.81 million plus interest at 7.50% per annum from the Company alleging that the construction performed by the Company has been delayed so the counter party has terminated the contract and demanded compensation from the Company.

On July 22, 2021, the Central Administrative Court has ordered the counterparty partial repayment of the construction service fee to the Company and that the Company pay compensation to the counterparty for the breach of contract with the net result that the Company must repay the counterparty in amount of Baht 23.86 million plus interest rate at 7.50% per annum.

However, the Company disagreed with the Central Administrative Court's judgement on both in terms of facts and legal regulation. The Company appeal to the Supreme Administrative Court.

The lawsuit is being considered by the court. the management believe that the outcome of the appeal will be favorable to the Company. Therefore, the Company has not recorded provision for the losses that may occur in the financial statements

- 35.2 In October 2016, the Company has filed a claim to the Arbitration Institute against a contractual party to claim for a compensation of damages and opportunity losses incurred from the irrational termination of the waste collection and wastewater treatment systems contracts amount of Baht 15.77 million plus interest at 7.50% per annum and release of the bank's letter of guarantee amount of Baht 10.07 million to the Company. The said counter party has filed an objection and counter-claim by demanding the Company to repay advance received amount of Baht 9.87 million (shown as a portion of Advances received from customers under construction contracts) plus interest at 7.50% per annum. The counter party defended by reasoning that an exercise of the right to terminate the contract did not consider to be breach of contract.

Subsequently, in October 2019, the Arbitration Institute has judged an order the counter party paid construction fee to the Company in amount of Baht 3.84 million and the Company to repayment an advance received to the counter party in amount of Baht 9.87 million plus interest rate at 7.50% per annum since the date of filing the lawsuit by the company has already recognized the damage in the financial statement.

However, the Company disagreed with the Arbitration Institute. The Company appeal to the Central Administrative Court. The lawsuit is being considered by the Central Administrative Court.

In August 2023, the Company received a notice from bank fo demanding repayment of bank guarantee obligation from the event that a bank has paid to the counterparty on behalf of the Company amount of Baht 8.53 million. The bank has already forfeit the Company's all bank deposited that were pledge as collateral and there is still the remaining amount which will repay to the bank in amount of Baht 4.62 million which recognize as long-term loan as mentioned in note to financial statements No.24.

- 35.3 During the year 2021, the Company was sued in the case of breach of contract of consultation for project acquired in amounting to Baht 2.62 million plus interest at 7.50% per annum. Subsequently, on November 7, 2022, the Civil Court ordered the Company to pay to the counterparty amount of Baht 0.42 million plus interest. The Company disagreed with the judgment and appeal to the Appeal Court. In this regard, the Civil Court ordered the enforcement officer to freeze the Company's bank accounts. The Company is propose to submitting land as collateral to the Appeal Court to consider collateral and requesting permission to stay the execution in the appeals stage.

The management believe that the outcome of the appeal will be favorable to the Company. Therefore, the Company has not recorded provision for the losses that may occur in the financial statements.

- 35.4 During the year 2023, the Company and former directors was sued as a co-defendant to be jointly liable with the government officer for supporting the officer offense against the officer position under the Criminal Code to the Criminal Court for corruption cases. The said lawsuit was caused by the company entered into a contract to purchase and sale tap water with the Chedi Mae Krua Subdistrict, Nong Harn Subdistrict, Nong Yang Subdistrict, San Sai District, Chiang Mai Province in 2012. The management and legal advisor have an opinion that the Company has no intention to supporting the officer to breaking the criminal laws. Entering into a water purchase and sale contract is a common practice in commercial business. The lawsuit is being investigated the witness. However, the management believe that the outcome of the investigation will be favorable to the Company.

Presently, The Criminal Court for Corruption and Misconduct Cases, Region 5 has ordered that the Company and its former directors were not guilty of the charges against them for purchase and sale tap water with the Chedi Mae Krua Subdistrict. In the trial, the plaintiff has not filed a request for justice. As for the case of Nong Han Subdistrict and The lawsuit of Nong Yang Subdistrict was under considering by The Criminal Court for Corruption and Misconduct Cases, Region 5.

- 35.5 The Company and Hydrotek Utilites Co., Ltd., a subsidiary (Plaintiff), have filed a lawsuit against Yunnan Water Investment Co., Ltd. and their related parties which totaling 3 defendants (Defendants). The lawsuit by suing for dissolution of an unregistered ordinary partnership and requests the appointment of the Company and its subsidiary as liquidators. Additionally, the Plaintiff has testified revocation of the settlment agreement as mentions to financial statement No. 19 and No. 23, alleging that the Company and its subsidiary breached the said settlement agreement and therefore call for reimbursment. Subsequently, Yunnan Water Investment Co., Ltd. and their related parties which totaling 3 Plaintiffs (Plaintiff) have filed a counter lawsuit against the Company and their 2 defendants (Defendants), alleging breach of the settlement agreement and call for reimbursment with interest. In 2023, the Civil Court has consolidated both lawsuits for joint consideration. Presently, the lawsuit is being considered by the Civil Court.

36. Event after the reporting period

- 36.1 According to the minutes of the Board of Directors' meeting No. 1/2024 on January 23, 2024, there was a resolution to consider extending the subscription period for additional common shares offered to existing shareholders in proportion to their shareholding (Right Offering: RO) and Warrants to purchase common shares of the company No. 2 (HYDRO-W2) from the original schedule of 18 - 19 January 2024 and 22 - 24 January 2024 (total 5 business days) to the new schedule of 18 - 19 January 2024, 22 - 26 January 2024 and 29 - 31 January 2024 (total 10 business days).

Later, on February 5, 2024, existing shareholders exercised their rights to purchase 158,195,657 shares, valued amount of Baht 47,458,697.10, consequently, the Company's paid-up capital amount to Baht 470,121,161.00. In this regard, the Company has amended the Company's memorandum of association to be consistent with the increase in the registered capital of the Company. The Company has allocated warrants to purchase the Company's ordinary shares No. 2 (HYDRO-W2) to the existing shareholders of the Company in proportion to their shareholding (Right Offering) at the ratio of 2 ordinary shares to 1 unit of warrant. (If there is a fraction of the warrant arising from the calculation, the said fraction must be rounded off the whole amount.) details are as follows :-

Warrant for Purchase Ordinary Shares (HYDRO-W2)

Types of Warrants	Warrants to Purchase Ordinary Shares No.2 (HYDRO-W2) Allocate to shareholders who subscribe for additional shares (“Warrant No. 2” or “HYDRO-W2”)
Trading start date	February 20, 2024
Number of warrants for allocation and sale	155,927,150 units
Rights of warrants	Exercise Ratio, 1 unit of warrant per new 1 ordinary share
Exercise Price	At Baht 0.40 per share
Term of warrants	3 years commencing from the issued date (February 6, 2024)
Price of Warrant	0.01
First exercise date	May 31, 2024
Last exercise date	February 5, 2027

- 36.2 In according with minute of Board of Directors Meeting No. 2/2024 held on February 29, 2024 has significant resolution as follows :-

36.2.1 That to propose to the Annual General Meeting of Shareholders for the year 2024 to consider and approve the capital to decrease of the Company's registered capital in the amount of Baht 49,754,679.00 from Baht 675,838,592.00 to the registered capital Baht 626,083,913.00 by canceling the registered but unissued ordinary shares in the number of 49,754,679 shares at a par value of Baht 1.00 per share to offer for sale to existing shareholders in proportion to the shareholding each shareholder holds (Right Offering) in the amount of 207,950,336 shares which was approved by the Extraordinary General Meeting of Shareholders No. 1/2566 on December 14, 2023 and the amendment of the Company's Memorandum of Association, to be consistent with the reduction of the Company's registered capital.

36.2.2 That to propose to the Annual General Meeting of Shareholders for the year 2024 to consider and approve the increase of the Company's registered capital under the General Mandate basis, amount of Baht 282,072,696.00 from the former registered capital of Baht 626,083,913.00 to the new registered capital of Baht 908,156,609.00 by issuing newly issued ordinary shares not exceeding 282,072,696 Shares par value of Baht 1.00 each and the amendment of the Company's Memorandum of Association, to be consistent with the reduction of the Company's registered capital.

36.2.3 That to propose to the Annual General Meeting of Shareholders for the year 2024 to consider and approve the allocation of newly issued ordinary shares under general mandate no more than 282,072,696 Shares par value of Baht 1.00 as follows :-

Method 1 Allotment of newly issued ordinary shares not exceeding 141,036,348, representing 30% of the paid-up capital to be offered to shareholders in proportion to their shareholdings (RO).

Method 2 Allotment of newly issued ordinary shares not exceeding 94,024,232, representing 20% of the paid-up capital to be offered to shareholders in proportion to public offering (PO).

Method 3 Allotment of newly issued ordinary shares not exceeding 47,012,116, representing 10% of the paid-up capital to be offered to shareholders in proportion to private placement (PP).

By allocating newly issued ordinary shares according to Method 1, Method 2 and Method 3 above by one or three methods, the total amount shall not exceed 30% of the paid-up capital or not exceeding 141,036,348 shares, but if allocated according to Method 2 and Method 3, the additional paid-up capital shall not exceed 20% of the paid-up capital as of the date the Board of Directors resolves to increase the capital or the amount not exceeding 94,024,232 share.

37. Approval of financial statements

These consolidated and separated financial statements were authorized for issue by the Company's board of directors on February 29, 2024.

Enclosure

Enclosure 2 Details of Directors, Executives and The Company Secretary

Mr. Somprasong Panjalak

Chairman of the Board / Authorized Director

Age (years)	51
Date of being appointed as a director	August 11, 2020
Educational qualifications	Master of Laws, Case Western Reserve University, USA Bachelor of Laws Thammasat University
Related training organized by the Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> ● 2018 <ul style="list-style-type: none"> - Directors Accreditation Program (DAP) 147/2018 - Positive Business Strategist Program (iSAB), Class 3 - Advanced Insurance Science Course (Class 8) - Business Administration in the Digital Age for Modern Executives (PADA), Class 1 - ASEAN Treasury Program for Young Executives in the Digital Age for Advanced Level (ATOC), Class 2 ● 2019 <ul style="list-style-type: none"> - “Bhumi Phalang Din” Course for Senior Executives, Class 5 - Management Science Program for Executives (Class 4) - Senior Executive Program National Strategist and Prevention of Psychological Warfare in the Digital World (YorPor.Sor.) Class ● 2020 <ul style="list-style-type: none"> - Architect course for Senior Executives (EXACT2) Class 2 - Security Management Course for Senior Executives (SML Class 1)

Work experience for the past 5 years

2020 - present	Chairman of the Board, Authorized Director, Hydrotek Public Company Limited
2019 - present	Chairman of the Board and Chairman of the Executive Committee Prime Road Power Public Company Limited
2018 - present	Director, Digital Economy Promotion Agency (DEPA) Committee
2017 - present	Chairman, Click Inter Business Company Limited

Holding a position as a director/executive in other businesses

a. Listed company	Chairman of the board and Chairman of the Executive Committee Prime Road Power Public Company Limited
b. Not a listed company	<ol style="list-style-type: none"> 1. Director, Digital Economy Promotion Agency (DEPA) Committee 2. Chairman, Click Inter Business Company Limited 3. Managing Director, Prime Road Group Company Limited

Holding a position as a director/executive in other businesses competing or related to the Company's business which may cause conflicts of interest to the Company No

Interests in the Company / Parent Company / Subsidiary / Associated Company
/ or juristic persons that may have conflicts of interest at present or during the
past 2 years

a. Being a director who takes part in the management, an employee, an
employee, or an advisor who receives a regular salary Yes

b. to be a professional service provider (eg auditor, legal advisor) Yes

c. have a significant business relationship that may result in the inability to perform No
independent functions (e. g. buying / selling raw materials/ goods /
services/borrow / lending) and specifying the size of the transaction (if have)

Legal offense record in the past 10 years No

Family relationship between management and the company No

Shareholding in the Company (%) (as of December 31, 2023) 16.83

Meeting attendance of all Board of Directors in 2023 13 out of 13

Mr. Sukrit Jintanakosin**Chief Executive Officer / Nomination and Remuneration Committee / Authorized Director / Risk Management Committee / Director Hydrotek Public Company Limited**

Age (years)	46
Date of being appointed as a director	January 1, 2023
Educational qualifications	Bachelor of Engineering Civil Engineering Suranaree University of Technology
Related training organized by the Thai Institute of Directors Association (IOD)	DCP: Director Certification Program Class 339/2023
Work experience for the past 5 years	
2023 - present	Chief Executive Officer, Nomination and Remuneration Committee, Authorized Director, Risk Management Committee, Director Hydrotek Public Company Limited
2013 - present	Managing Director, Sandstone Construction Company Limited
2022 - 2022	Chief Operating Officer, Hydrotek Public Company Limited
Holding a position as a director/management in other businesses	
a. Listed company	No
b. Not a listed company	1. Director, Hydrotek Utilities Company Limited 2. Managing Director, Sandstone Construction Company Limited
Holding a position as a director/executive in other businesses competing or related to the Company's business which may cause conflicts of interest to the Company	No
Interests in the Company / Parent Company / Subsidiary / Associated Company / or juristic persons that may have conflicts of interest at present or during the past 2 years	
a. Being a director who takes part in the management, an employee, an employee, or an advisor who receives a regular salary	Yes
b. to be a professional service provider (eg auditor, legal advisor)	No
c. have a significant business relationship that may result in the inability to perform independent functions (e.g. buying / selling raw materials / goods / services / borrowing / lending) and specifying the size of the transaction (if have)	No
Legal offense record in the past 10 years	No
Family relationship between management and the company	No
Shareholding in the Company (%) (as of December 31, 2023)	No
Meeting attendance of all Board of Directors in 2023	13 out of 13

Mr. Somchan Panjalak**Nomination and Remuneration Committee / Risk Management Committee / Authorized Director / Director**

Age (years)	48
Date of being appointed as a director	November 12, 2019
Educational qualifications	Bachelor's degree in Industrial Engineering and Management, Rajamangala Institute of Technology Klong 6 (Rajamangala University of Technology Thanyaburi)
Related training organized by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program Certificate, Class 170/2020
Work experience for the past 5 years	
2019 - present	Member of the Nomination and Remuneration Committee, Member of the Risk Management Committee, Authorized Director, Director, Hydrotek Public Company Limited
2018 - present	Associate Judge at Samut Sakhon Provincial Juvenile and Family Court
2017 - present	Member of the Higher Diploma Club in Public Economic Administration for Executives Member of the Higher Diploma Program in Public Economic Management for Executives (Por.Por.P.A.), Class T14
2003 - present	Chairman of the Managing Director, Boyatech Company Limited, Thailand
Holding a position as a director/executive in other businesses	
a. Listed company	No
b. Not a listed company	Director of Boyatech Company Limited, Thailand
Holding a position as a director/executive in other businesses competing or related to the Company's business which may cause conflicts of interest to the company	No
Interests in the Company / Parent Company / Subsidiary / Associated Company / or juristic persons that may have conflicts of interest at present or during the past 2 years	
a. Being a director who takes part in the management, an employee, an employee, or an advisor who receives a regular salary	No
b. to be a professional service provider (auditor, legal advisor)	No
c. have a significant business relationship that may result in the inability to perform independent functions (e.g. buying / selling raw materials / goods / services / borrowing / lending) and specifying the size of the transaction (if have)	No
Legal offense record in the past 10 years	No
Family relationship between management and the company	No
Shareholding in the Company (%) (as of December 31, 2023)	No
Meeting attendance of all Board of Directors in 2023	13 out of 13

Air Chief Marshal Surasak Meemanee

Chairman of the Audit Committee / Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee / Independent Director

Age (years)	68
Date of being appointed as a director	January 15, 2018
Educational qualifications	Diploma of National Defense College Air Force College Air Force Academy Bachelor of Science Electrical Engineering Royal Thai Air Force Academy
Related training organized by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program, Class 147/2018
Work experience for the past 5 years	
2019 - present	Chairman of the Audit Committee, Hydrotek Public Company Limited Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and Independent Director Prime Road Power Public Company Limited
2018 - present	Director, Independent Director, Chairman of Risk Management Committee and Member of the Nomination and Remuneration Committee, Hydrotek Public Company Limited
2018 – 2019	Audit Committee Member, Hydrotek Public Company Limited
2016 – 2021	Advisor, Defense Technology Institute
Holding a position as a director/executive in other businesses	
a. Listed company	Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and Independent Director Prime Road Power Public Company Limited
b. Not a listed company	No
Holding a position as a director/executive in other businesses competing or related to the Company's business which may cause conflicts of interest to the company	No
Interests in the Company / Parent Company / Subsidiary / Associated Company / or juristic persons that may have conflicts of interest at present or during the past 2 years	
a. Being a director who takes part in the management, an employee, an employee, or an advisor who receives a regular salary	No
b. to be a professional service provider (auditor, legal advisor)	No
c. have a significant business relationship that may result in the inability to perform independent functions (e.g. buying / selling raw materials / goods / services / borrowing / lending) and specifying the size of the transaction (if have)	No
Legal offense record in the past 10 years	No
Family relationship between management and the company	No
Shareholding in the Company (%) (as of December 31, 2023)	No
Meeting attendance of all Board of Directors in 2023	13 out of 13

Prof. Dr. Kamphol Panyagomes**Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee / Independent Director**

Age (years)	52
Date of being appointed as a director	September 27, 2011
Educational qualifications	Doctor of Business Administration (financial management) Schulich School of Business, York University Canada Master of Business Administration (Financial Management), National Institute of Development Administration Bachelor of science King Mongkut's Institute of Technology Thonburi
Related training organized by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program Class 90/2011
Work experience for the past 5 years	
2019 - present	Chairman of the Nomination and Remuneration Committee, Hydrotek Public Company Limited
2019 - present	Member of the Audit Committee, Member of the Nomination and Remuneration Committee, and Independent Director Prime Road Power Public Company Limited
2018 – 2021	Rector, National Institute of Development Administration,
2014 – 2019	Member of the Nomination and Remuneration Committee, Hydrotek Public Company Limited
2013 – 2018	Vice President for Research and Academic Services National Institute of Development Administration
2011 - present	Director, Audit Committee Hydrotek Public Company Limited Member of the Audit Committee and Chairman of the Risk Management Committee Stars Microelectronics (Thailand) Public Company Limited Capital Management Committee National Institute of Development Administration

Holding a position as a director/management in other businesses

a. Listed company	1. Member of the Audit Committee and Chairman of the Risk Management Committee Stars Microelectronics (Thailand) Public Company Limited 2. Member of the Audit Committee, Member of the Nomination and Remuneration Committee, and Independent Director Prime Road Power Public Company Limited
b. Not a listed company	No

Holding a position as a director/ executive in other businesses competing or related to the Company's business which may cause conflicts of interest to the Company
Interests in the Company / Parent Company / Subsidiary / Associated Company / or juristic persons that may have conflicts of interest at present or during the past 2 years

a. Being a director who takes part in the management, an employee, an employee or an advisor who receives a regular salary	No
b. to be a professional service provider (eg auditor, legal advisor)	No
c. have a material business relationship that may result in the inability to perform independent functions (eg buying / selling raw materials / goods / services / borrowing / lending money) with the size of the transaction (if have)	No
Legal offense record in the past 10 years	No
The family relationship between management and the company	No
Shareholding in the Company (%) (as of December 31, 2023)	No
Meeting attendance of all Board of Directors in 2023	11 out of 13

Dr. Siridech Khamsuprom

Member of the Audit Committee / Member of the Nomination and Remuneration Committee / Independent Director

Age (years)	49
Date of being appointed as a director	August 10, 2018
Educational qualifications	Ph.D. in Business Information Systems (IT Governance), RMIT University, Australia Master of Information Systems (M.Inf.Sys), Griffith University, Australia Master of Business Administration Accounting major, Dhurakij Pundit University Bachelor of Accounting, Dhurakij Pundit University
Related training organized by the Thai Institute of Directors Association (IOD)	DAP: Director Accreditation Program รุ่นที่ 121/2015 Risk Management Program for Corporate Leaders รุ่นที่ 2/2015 Driving Company Success with IT Governance รุ่นที่ 1/2016 Advanced Audit Committee Program รุ่นที่ 41/2021
Work experience for the past 5 years	
2019 - present	Member of the Audit Committee, Member of the Nomination and Remuneration Committee, Independent Director Hydrotek Public Company Limited Director, Independent Director, Chairman of Risk Management Committee, Nomination and Remuneration Committee AEC Securities Public Company Limited
2018 - present	Director, Independent Director, Hydrotek Public Company Limited
2018 - present	Dean of the College of Business Administration, Innovation and Accounting Dhurakij Pundit University
2015 - present	Independent Director, Chairman of Risk Management Committee, Board of Directors and Chairman of the Corporate Governance Committee Burapha Technical Engineering Public Company Limited
Holding a position as a director/management in other businesses	
a. Listed company	1. Director, Independent Director, Chairman of Risk Management Committee, Nomination and Remuneration Committee AEC Securities Public Company Limited 2. Independent Director, Chairman of Risk Management Committee, Board of Directors and Chairman of the Corporate Governance Committee Burapha Technical Engineering Public Company Limited
b. Not a listed company	No
Holding a position as a director/executive in other businesses competing or related to the Company's business may cause conflicts of interest to the company	No
Interests in the Company / Parent Company / Subsidiary / Associated Company / or juristic persons that may have conflicts of interest at present or during the past 2 years	

a. Being a director who takes part in the management, an employee, an employee, or an advisor who receives a regular salary	No
b. to be a professional service provider (eg auditor, legal advisor)	No
c. have a significant business relationship that may result in the inability to perform independent functions (e.g. buying / selling raw materials / goods / services / borrowing / lending) and specifying the size of the transaction (if have)	No
Legal offense record in the past 10 years	No
Family relationship between management and the company	No
Shareholding in the Company (%) (as of December 31, 2023)	No
Meeting attendance of all Board of Directors in 2023	12 out of 13

Mr. Pramin Phantawesak

Independent Director

Age (years)	70
Date of being appointed as a director	February 28, 2022
Educational qualifications	Master of Engineering (Industrial Engineering), Lamar University, USA Bachelor of Engineering (Industrial Engineering), Chulalongkorn University
Related training organized by the Thai Institute of Directors Association (IOD)	DCP: Director Certification Program Class 63/2005 RCC: Role of the Compensation Committee Class 12/2011
Work experience for the past 5 years	
2022 - present	Independent Director of Hydrotek Public Company Limited
2019 - present	Director of UAC Advance Polymer & Chemicals Company Limited
2013 - 2015	Senior Executive Vice President of PTT Public Company Limited President of PTT Phenol Company Limited
Holding a position as a director/management in other businesses	
a. Listed company	No
b. Not a listed company	Director of UAC Advance Polymer & Chemicals Company Limited
Holding a position as a director/executive in other businesses competing or related to the Company's business may cause conflicts of interest to the company	No
Interests in the Company / Parent Company / Subsidiary / Associated Company / or juristic persons that may have conflicts of interest at present or during the past 2 years	
a. Being a director who takes part in the management, an employee, an employee, or an advisor who receives a regular salary	No
b. to be a professional service provider (eg auditor, legal advisor)	No
c. have a significant business relationship that may result in the inability to perform independent functions (e.g. buying / selling raw materials / goods / services / borrowing / lending) and specifying the size of the transaction (if have)	No
Legal offense record in the past 10 years	No
Family relationship between management and the company	No
Shareholding in the Company (%) (as of December 31, 2023)	No
Meeting attendance of all Board of Directors in 2023	11 out of 13

Mr. Kasame Chanweerathum

Deputy Chief Executive Officer Accounting and Finance and The Company Secretary

Age (years)	37
Date of being appointed as an executive	December 1, 2022
Educational qualifications	Bachelor of Accounting Bangkok University
Related training organized by the Thai Institute of Directors Association (IOD) and Training Programs	Federation of Accounting Professions
	<ul style="list-style-type: none"> - CFO's Orientation Course for New IPOs - CFO Refresher Course 2023 - Insight in SET - Financial Model 2-Feasibility Study Class 2/66 - Financial Model 3 Financial Projection and DCF (Excel Workshop) Class 2/66
Work experience for the past 5 years	
2022 - present	Deputy Chief Executive Officer Accounting and Finance and The Company Secretary Hydrotek Public Company Limited
2018 – 2022	Assistant Manager – Audit of Grant Thornton Limited
2014 – 2018	Senior Assistant – Audit of Grant Thornton Limited
2009 – 2013	Assistant – audit of United Audit PKF
Holding a position as a director/management in other businesses	
a. Listed company	No
b. Not a listed company	No
Holding a position as a director/executive in other businesses competing or related to the Company's business which may cause conflicts of interest to the Company	
Interests in the Company / Parent Company / Subsidiary / Associated Company / or juristic persons that may have conflicts of interest at present or during the past 2 years	
a. Being a director who takes part in the management, an employee, an employee, or an advisor who receives a regular salary	No
b. to be a professional service provider (eg auditor, legal advisor)	No
c. have a material business relationship that may result in the inability to perform independent functions (eg buying / selling raw materials / goods / services / borrowing / lending money) with the size of the transaction (if have)	No
Legal offense record in the past 10 years	No
Family relationship between management and the company	No
Shareholding in the Company (%) (as of December 31, 2023)	No

Enclosure 2 Details of Subsidiary Directors

NO.	DIRECTORS	HYDROTEK – CH AISARIT JOINT VENTURE	HYDROTEK UTILITY COMPANY LIMITED	SAHAHYDRO JOINT VENTURE	SAHAHYDRO PATHUMTHANI 2 JOINT VENTURE	HYDRO – RINRAT JOINT VENTURE
1	Mr. Somprasong Panjalak					
2	Mr. Sukrit Jintanakosin		/	/	/	/
3	Mr. Somchan Panjalak					
4	Air Chief Marshal Surasak Meemanee					
5	Prof. Dr. Kamphol Panyagomes					
6	Dr. Siridech Khamsuprom					
7	Mr. Pamin Phantawesak					

Enclosure 3 Details on Head of Internal Audit Function

Auditor

Name	SAM NAK-NGAN A.M.C. Company Limited
Adress	19th Floor, Unit 4, Silom Complex Building, 191 Silom Road, Silom, Bangrak, Bangkok 10500
Auditor	Mr. Naris Saowalucksakul CPA No. 5369
Phone	02-231-3980-7
Fax	02-231-3988
Email	amc@amc-mri.com

Head of Internal Audit Function

Name	I.A.P. Internal Audit Company Limited
Adress	No. 37 Rattathibet Road, Bang Kraso, Mueang Nonthaburi District, Nonthaburi 11000
Head of Internal Audit Function	Mr. Wattana Channakin
Phone	02-408-4366
Fax	02-408-4367
Email	info@iapinternalaudit.com

Enclosure 4 Details of Assets Appraisal

-No-

Enclosure 5 Corporate Governance Policy and Business Code of Conduct

Corporate Governance Policy

The company emphasize on efficiency management which has to be transparent and inspected in order to ensure for shareholders, investors, stakeholders, and all related department. To encourage the company to the stability for sustainable growth.

The Board of Directors realizes role, duty and responsibility as director to the Company and the shareholders and has approved the written corporate governance policy and also reviewed the Corporate Governance Policy, developed from the 2012 Good Corporate Governance Principles for Listed Companies in aligning with the guideline set by the Stock Exchange of Thailand, and the 2017 Corporate Governance Code for Listed Companies as prescribed by the Office of Securities and Exchange Commission. After consideration, the Company has adopted most principles and proposed to the Board of Directors Meeting No.14/2018 on November 12, 2018 for acknowledgement. As of December 31, 2018, the Company is on the process of reviewing the Corporate Governance Policy to be aligning with the new Corporate Governance Code. The Corporate Governance Policy is set to be guideline to perform which the material substances divided into 5 sections as follows:

Section 1: Rights of Shareholders

Basic shareholder rights are rights to buy, sell or transfer shares, share in the profit of the Company, obtain relevant and adequate information on the Company in a timely manner and on a regular basis, participate and vote in the shareholders' meeting to elect or remove members of the board, appoint the external auditor and make decisions on any transactions that affect the company such as dividends payment, amendments to the company's articles of association or the company's bylaws, capital increases or decreases, and the approval of extraordinary transactions, etc.

Apart from the above basic rights, the Company has policy to support and facilitate the shareholders to exercise their rights as follows:

- 1) In case the shareholder cannot attend the meeting by himself, the Company allows the shareholder to assign the proxy to the Audit Committee or any person to attend the meeting by using any type of proxy as submitted with the invitation letter.

- 2) Allow the shareholder to submit the opinion, advice and send questions in advance prior to the shareholders' meeting date.
- 3) To encourage the shareholder to use the proxy in form that the shareholder can determine the voting direction and nominate at least 1 independent director.
- 4) During the meeting, the Company shall provide proper time and encourage the shareholder to express opinion, advice or raise question at the meeting with regard to the matters concerning the Company prior to the voting in any agenda. The Company shall provide sufficient information of such matter to the shareholder.
- 5) To encourage using voting card for the important agenda such as related transaction, asset acquisition or disposition, etc. for transparency and be able to examine in case there is any argument in the future.
- 6) All directors shall attend the meeting except for necessary circumstance so that the shareholders can inquire with regard to the related matter.

Section 2: Equitable Treatment of Shareholders

The Company has policy to perform and protect right of each shareholder equally in order to create true equality especially for the minority shareholders such as

- 1) Disclose information regarding shareholders meetings on the company's website before sending out the notice of the meetings and inform rules related to the meeting, shareholders' rights to attend the meeting and right to vote in advance.
- 2) To handle and facilitate each shareholder equally and shall not do anything to limit or violate or deprive right of shareholder.
- 3) To determine the independent director to oversee minority shareholders by allowing the minority shareholder to give advice, express opinion or claim to the independent directors. The independent directors shall be the person to properly manage each case such as if it is the claim, the independent directors shall investigate for fact and find way to compensate properly or in case that the independent directors consider that such matter is material which affect to the overall stakeholder or affect the Company's business operation, the independent directors shall propose such matter to the shareholder's meeting for considering to be the agenda of the shareholders' meeting.

- 4) To encourage for right exercising such as allowing the minority shareholder to propose additional agenda prior to the shareholders' meeting date and to nominate person to be director in advance with information related to the qualifications and consent of the nominated person.
- 5) The shareholder who is the executive of the Company shall not add any agenda which is not inform in advance especially an important agenda which the shareholders need time to study information before making decision.
- 6) To determine the insider trading protection measurement of relates persons including director and the Company's executives who related to the information (including spouse and minor child of such person).
- 7) To allow shareholder to exercise his right to appoint each director.
- 8) To determine the written guideline for preservation of inside information and protection of using and inform such guideline to all staff to perform accordingly and determine that all directors and executives who have duties to report the shareholding according to the laws have to report regularly to the Board of Directors.

Section 3: Roles of Stakeholders

The company emphasis conduct business to cover Stakeholders sustainable and mutual benefits to all related parties. The Board of Directors oversees the management system to ensure that the Company acknowledges the rights of stakeholders by law and treat equally. The Stakeholders expression of opinion, decision and action takes on matters affecting them. The Company focus stakeholders that we make policy and guidelines to stakeholders. For employee clear guidelines implementation as follows:

1) Shareholders

The operation company operates maximum benefit and add value to shareholders in the long term as follows:

- The company manages good corporate governance by the integrity without seeking benefit for themselves or others. The company make maximize shareholder wealth.
- To provide the information about Shareholders' meeting appropriate for the sufficient time of shareholders to decide.

- To provide Independent Directors oversee, complaint and suggest the minority shareholders through the convenient and quick access.
- The company has stipulated control internal audit and risk management effectively.
- Disclosing information to shareholders accurately, completely, and transparently for their acknowledgement the business operation.

2) Employees

The company believes that employee are valuable resource because everyone are the drivers of the company. It is possible to treat employee fairly on human rights for employees and the company has a good relationship. The company is regarded to want of employees and also developing performance operation the guidelines as follows:

- To give equality for staffs which do not the difference of nationality, religion, skin, age, or language to be factors for hiring consideration and also hiring the disabled in order that give them chance.
- The Company interest in take care of employees fairly by respect in personal freedom and opinions.
- To develop skills of employees to be appropriate with their duties and responsibilities for enhancement of knowledge and efficiency performance.
- To encourage collaboration within the organization to create a harmonious and discipline.
- To encourage the safety system and occupational health that following safety standards for the worker safety and hygiene, according to the principle operators' safety manual.
- The company has policy of remuneration and welfare according by performance which is indicators in remuneration change for the purpose to motivate performance development and increase the profitability of the company and compared industry trend for justice that accordance with labor law, and also provided welfare and other appreciate benefits both short-term and long-term such as provident fund, insurance groups, etc. However the determination of employee remuneration has consistency with the performance and sustainability of the Company.
- To encourage environmental management in the workplace and motivate employees part of company for decrease turnover of employees.

3) Customers

The company policies services the customer turnkey from service, design and engineering, construction contractor as well as commissioning that focus high quality and efficiency. The company treats relationship our clients by customer services. The guidelines as follows:

- To punctual delivery and customer need.
- To confidence the customer by increasing engineering team high experiences and skill.
- Determine the charge by the method is based on construction cost, services and cost estimates at a fair rate.
- The company emphasizes on quality of work, efficient service and standard construction to the satisfaction of the client and provide after sales consultants for impressive clients.
- The company always develops technology.

4) Business partners

The company operates within a competitive context honestly by strictly upholding its promise and commitment to business partners. The guidelines as follows:

- To consider the purchase and contract rate at a fair price that validity to price, quality and service from business partners
- The company operates sustainable and transparent that manage under commercial condition and promise for fair to stakeholders.
- Closing information of business partners except they permit disclose.

5) Competitors

The company operates within a competitive context, equity and honest. The guidelines as follows:

- The company offers services through two channels: bidding and directly-contacted by clients. The company operates within the framework of competitor well, ethical, transparent and do not exploit the competitor by unlawful.
- The company does not find the benefit from the secret of competitors
- The company do not damage a competitor's reputation without facts.

6) Creditors

The company complies with the terms of loans and obligations to its creditors. Based on equality, fairness and transparency in practice the guidelines as follows:

- Do the right contract with creditors for equality and transparency.
- To prepare the contracts require creditor by law in all respects.
- Payment of principle and interest to creditor on time.

7) Social

The Company aware of a part of society. Which is responsible for social assistance and support activities in the community, develop community and environment for quality of life and well-being in society. Because we services from design, construction of the collection system and wastewater treatment and water system to private company and government agencies for reduce wastewater is discharged and may enter source water. And water resources management, which valuable resources of our country the guidelines as follows:

- As part of making a conscious response social to preserve water and use appreciate.
- To encourage and support activities develop community water systems they have water for consumption.
- To enhance meeting for exchange of ideas and give knowledge which are experience and specialization of the company to develop way of life in community that company operated.

8) Business Implementation Policy under Environmental Standards

The company is aware of preserving environment so it defines to hold on to environmental policy together with the company's business with following practices:

- Provide project management considering environment and frequently monitor the implementation to prevent impacts to nearby community.
- Promote knowledge and understanding in environment to the employees by educating and disseminating information on notice board and/or circulating letters in the company.
- Promote efficient use of resources considering energy saving and reuse.
- To encourage employees have conscience and responsibility on their activity in order to using of resource as efficiently by educating and campaigning on announcement or internal circular letter.
- To be a part of Thai society by the use of expertise and technology on business operated for development quality of water and quality of life in society.

9) The Company has a non-infringement of human rights policy

The company determines policy about human rights violation for the purpose of equality all both shareholders, investors, stakeholders, and all related as human rights principle, which will not violate individual rights and liberty.

10) The Company determines a non-infringement of intellertual property or copyright policy

The company has non-infringement of intellertual property or copyright policy which prohibit employees to use software that illegal or copy the software.

11) Anti-corruption and Anti-bribery for Business Benefit Policy and Guidelines

The company has Anti-corruption and Anti-bribery policy. The Board of Directors, management and employees are forbidden from supporting corruption. And compliance with this policy must be regularly monitored and verified while the guidelines must be regularly updated to be in line with changing business environment. The guidelines are as follows:

1. Directors, management and employees must comply with the Anti-corruption and Anti-bribery policy and must be aware that corruption is not appropriate according to business ethics.
2. The company promotes its personnel to have knowledge in corruption to honestly work and to prevent corruption via communication/PR and circulating letters.
3. The company has appropriate and regular audit and control to prevent inappropriate behaviors of the employees.
4. The company has transparent financial status report which is auditable and accurate to keep benefits of all stakeholders.
5. The company has policy in giving/receiving gifts, reception or expenses to and from persons conducting business with the company to be in line with local customs or trading tradition and to be at appropriate price.
6. The company gives cooperation with government sector to disclose income statement to The Office of the National Counter Corruption Commission for a project in which the company is party to the government sector.

7. Employees must not ignore when finding any action which can be considered an action to report to supervisor or authorized person or the employees must report the channel defined by the company. The company will keep the information secret to protect the person who reveals it.
8. The company will give fairness to the whistleblower and the person who is accused before investigation.
9. The person committing corruption will be considered disciplinary penalty according to the company's regulations. If such guilt is illegal, the person will be convicted.

12) Whistleblower and Relevant Party Protection Policy

The whistleblowers will be appropriately protected from the company such as holding the existing position, protection of work suspension, employment termination or any other action that is unfair treatment to such person. The information received will be kept secret and will not be disclosed to relevant parties except for being forced by law. Any person who knows the information must keep it secret. Intentional disclosure of the information will result in disciplinary penalty.

13) Whistleblowing Policy

Scope of Complaints

Directors, employees or any person acting on behalf of the company can be complained against, if they have committed any action which can be considered corruption.

If the whistleblower does not reveal identity, the coordinator must consider if the information or evidence is clear enough. These following matters will not be considered.

- A complaint with no witness, evidence or corruption that can be investigated.
- It considered that the evidence is not the truth and there is no new evidence to the complaint.

Company's Action

- Investigation of the complaint
 - For uncomplicated issue which has clear evidence and does not relate to several units, an appointed or authorized person is eligible to investigate such complaint and the authorized person must have no interest in any complaint.

- For complicated issue which has a number of evidences or relates to several units, the issue must be presented to CEO and President to consider appointing truth finding committee. The appointed members of the committee must not take part in any interest arising from this issue.

Period of Taking Action

When receiving complaint, the authorized or appointed persons will coordinate with the whistleblower within 7 days.

The investigator will consider and report the summary of the case after it is settled to the person who commits corruption within 30 days and the penalty must be approved by the authorized person.

In case of appointing truth finding committee, the case must be closed within 60 days starting from the date of the committee appointment.

In case it cannot be settled in due time, the issue must be presented to the CEO and/or President to consider extension of the investigation period.

Reporting

Inspectors have to report the conclusion to complainant, respondent or other personnel, Who has related to acknowledge.

If the complaint affects on the company's reputation,

business operation, financial status. must be presented to CEO and President to know immediately to take action and be subject to the Board of Directors' next meeting.

If truth finding committee can prove that the whistleblower provided false information making the alleged defamatory or get damaged. Will be punished according to the regulations of the Company.

14) Channels and clues

The company determines opportunity for all related department to discuss information and give advice or inform complaint which not justice ,illegal and rights violation from operation for enhance business operation to be transparent under good corporate governance. All stakeholders can complain to audit committee.

- e-mail

audit.committee@hydrotek.co.th

- Letter

HYDROTEK PUBLIC COMPANY LIMITED

1 TP&T Tower, 14th Floor 14 Soi Vibhavadee-Rangsit 19, Chatuchak, Chatuchak, Bangkok, 10900

Section 4: Disclosure and Transparency

Apart from correct, accurate and timely disclosure of financial reports or other information memorandum to public via various channels according to governed regulations, the Company shall disclose the following information to confirm the transparency of business operation:

- 1) Disclose information related to the performance of the Board of Directors and the Audit Committee such as number of meetings and number of meetings of each director attending for the previous year.
- 2) Disclose valuation method and performance result of the Board of Directors.
- 3) Disclose policy of remuneration of Board of Directors and executives including form or type of remuneration.
- 4) Disclose corporate governance policy and performance in accordance with the policy.
- 5) Disclosure of information in anticipation of circumstances and direction of business and the projection of the Company's future operating performance (Forward-Looking Information)
- 6) Disclosure of material information already released to the public (Material Public Information) should be made clearly and completely, without creating confusion and consistent in order to avoid misunderstanding of the previously disclosed information.
- 7) Disclosure of other information that is not material (Non-material Information) should be made on the basis of truth and without intention to mislead others from the actual financial status, operational performance, or stock prices. Disclosure should not be made in a way that might lead others to understand that stock prices will rise or fall.

Such information not only disclosure to public via Securities and Exchange Commission ("SEC") and SET, but also disclose through the Company's website.

Section 5: Board Responsibilities

The Board of Directors comprise of experts with various knowledge and experience such as engineering, management and other expertise which are useful to the operation of the Board of Directors as well as be independence for making decision for the best benefit to the Company and shareholders. The Board of Directors participates in determining (or approval) vision, mission, according to determined business plan and budget with effectiveness and efficiency in order to maximize economic value to the Company and secure the confidence to the shareholders. The Board of Directors also oversees the appropriateness of internal control evaluation process, internal audit, risk management, financial reports and regularly follows up the performance.

1) Structure of the Board of Directors

- The Company's Board of Directors has 7 persons, comprised of 3 executive directors, 3 non-executives director and 3 of them are independent directors which more than 1/3 of the entire the Board of Directors which can balance the power of executive directors properly
- The Board of Directors support the company to have diversity in the structure inclusive expert who has various knowledge, experience, and specialization that is beneficial to business operation. The expert have to be intent in moral and honest which they are not limited by gender, nationality, religion, age, professional skills, and other special qualification.

2) Business Ethics

In order to operate under good corporate governance and sustainability growth. The Board of Directors announced the Board of Directors' handbook, directors' handbook and code of conducts including improvement for appropriate changing principles. The Board of Directors encouraged employees to follow Business Ethics by announced the anti-corruption and anti-bribery for business benefit policy and guidelines to be suitable for the business environment.

3) Remuneration of the Board of Directors and executives

The Company has set policy to determine the amount clearly and transparently and propose to shareholders' meeting for approval every year. The criteria to set the remuneration of the Board of Directors are as follows:

- The remuneration is proper and in line with scope of duties and responsibilities of each director.

- The remuneration structure is clear, transparent and easy to understand.
- The remuneration is comparable to remuneration of other companies in the same or similar industry.
- The company have policy to consider remuneration of chief executive officer, president, and vice president by considered from the nomination and remuneration committee which they will consider remuneration and bonus according by industry trend in the same business to comply with responsibility and performance of the company for retain personnel to be on company and propose to the Board of Directors for approval.

4) The Board of Director Meeting

- The Company shall set and proceed meeting according to the Company's Articles of Association, related laws to public company limited and the SET's regulations and shall arrange special meeting when necessary. The chairman of the Board of Directors as the chairman of the meeting shall support thorough consideration and arrange sufficient time for the meeting, therefore, the management can present and explain the major concern thoughtfully.
- The Board determines in advance meeting schedule for all year except for exclusive agenda. The Boards' meeting at least 4 times a year, the Risk Management Committee and the Nomination and Remuneration Committee meeting at least 2 times a year. The Company shall submit the invitation letter including agenda and meeting document to the directors in advance for not less than 7 days prior to the meeting for the Board's review prior to attending meeting.
- The Board have policy about minimum number of quorum which the Board's meeting will can the votes not less than 2 over 3 of total votes of the Board, and all committee have to attend at least 75% of all year meeting. Besides, the Company shall record minutes of the meeting accurately and completely in order to be able to be examined by the shareholders.

To ensure that the company's operations are under good corporate governance and have sustainable growth. The Board of Directors has announced Board of Directors Manual Director's Manual and business ethics The Board of Directors encourages employees to adhere to business ethics. By promulgating policies and guidelines for anti-corruption and corruption. To be suitable for the current business environment.

conflict of interest

1. Avoid making transactions related to yourself. that may cause conflicts of interest with the company
2. Carry out the transaction as if it were a transaction with a third party, including directors, executives, or employees who are involved.

lost in that item Must not take part in approval consideration.

3. Do not use opportunities or information obtained from being a director, executive, or employee for personal gain and doing business that competes with the company or doing related business.
4. Do not use inside information for your own benefit in trading the company's shares. or provide inside information to other persons for the benefit of trading the Company's shares.

Policy on responsibility towards stakeholders

Encourage shareholders to exercise their basic rights as specified in the company's laws and regulations to create maximum satisfaction to shareholders Taking into account sustainable growth Create additional value and provide appropriate returns. and conduct business in accordance with the principles of good corporate governance

1. Manage and perform duties by applying management knowledge and skills to their fullest potential.

With honesty, caution, and carefulness in various operations. and is fair to all shareholders and for the benefit of the group involved as a whole

2. Manage the company's business to ensure stable progress. and create appropriate return value for shareholders
3. Do not take any action that may cause a conflict of interest of the Company Group.

4. Report on the operating status of the company Both financial and non-financial to shareholders equally

Consistent and complete according to reality

5. Provide an opportunity for one or more shareholders who hold shares according to the criteria set by the company to propose nominations.

matters to be agenda items or nominate qualified persons to be considered for selection as company directors in advance of the shareholder meeting. It has been screened by the Nomination and Consideration and Remuneration Committee and presented for approval by the Board of Directors.

6. Establish an investor relations department to provide information and answer questions.

Receive advice/suggestions from

Shareholders and general investors Including various channels to access information such as the company's website. and by telephone, etc.

Policy of responsibility towards customers

Committed to creating satisfaction and confidence for customers. and outsiders who receive good quality products and services at reasonable and fair prices, including continuously raising the standards of both products and services.

1. Follow the contract Transparent agreements or conditions with every customer In cases where it is not possible to perform must notify customers in advance to work together to find solutions and prevent damage.

2. Committed to maintaining product and service standards both quality and fair prices Including research and development to create Maximum benefit to customers.

3. Committed to creating satisfaction and confidence for customers to receive excellent quality service under safe and appropriate technology Including continuously raising standards to be higher.

4. Promote the provision of standard products and fast delivery services and create the greatest benefit to customers

5. Give importance to maintaining confidential information of customers. and do not use such information for profit of oneself and those involved.

6. Disclose information about services completely, correctly, in a timely manner, without distorting actual information including maintaining good and sustainable relationships.
7. Establish a customer relations department to receive complaints, suggestions, or criticisms from customers through many channels, such as telephone, fax, electronic communication, online, etc.
8. Do not call, receive, request, or give any benefits. that is dishonest with customers.

Responsibility policy towards trade competitors

Treating competitors under the legal framework regarding trade competition practices. By adhering to the principles of fair and honest competition.

1. Act within the framework of free and fair competition rules.
2. Do not violate the secrets or know the trade secrets of business competitors through fraudulent and dishonest means by strictly following the guidelines set forth in the Business Ethics Code.
3. Do not destroy the reputation of business competitors by making slanderous accusations. and attacking competitors without factual information and evidence.

Policy on treatment towards trade creditors

Adhere to promises and strictly comply with conditions and duties to creditors, including complying with agreed covenants.

1. Maintain and strictly comply with the conditions reached by creditors. Both in terms of payment Taking care of collateral insurance and other conditions agreed upon.
2. Financial reports to this owner according to the contract terms are accurate and complete. and in accordance with the principles of good corporate governance
3. Report to creditors. If in the case of not being able to comply with the agreed commitments and find guidelines a common solution to problems.

Policy on conducting business under environmental standards

The company is aware of the importance of environmental protection. Therefore, environmental policies have been established in parallel business operations of the company The guidelines for practice are as follows:

- Arrange project management with environmental considerations in mind. and regularly follow up on the results of operations in order to not to affect the living conditions of people in the surrounding communities.

- Promote environmental knowledge and understanding among employees by educating and campaigning through boards public relations and/or circular letters within the company.
- Promote efficient use of resources Taking into account energy saving and resources are recycled.
- Be a part of society by using your expertise. and the company's technology in implementing projects to develop water quality and quality of life for people in the community.

Policy on conduct and responsibility for the government sector

Conduct business to strengthen and develop the prosperity of the country. By adhering to relevant laws, rules, regulations and rules. and according to general business traditions

- 1 . You should conduct business correctly and honestly with officials or government agencies.
2. Follow local rules. or some countries that may have laws, conditions, criteria, procedures, or various traditions In running a business, it involves employment. Donating money, giving rewards, welcoming or catering to government employees or related government agencies.
3. Follow the regulations in each locality regarding the hiring of government employees while they are on the job consulting or being an employee in the company group with employment conditions that are transparent and appropriate
- 4 . Avoid conducting transactions with government officials or family members of government officials while they are such influences decisions regarding contracts with the state.
5. Building good relationships between the government sector and the company group to the extent appropriate for business operations, such as meet and talk in various public places Expressing congratulations on occasions, festivals, or according to traditional practices.

Policy that will not involve violations of human rights

The company has established a policy so that personnel are not involved in human rights violations. To achieve equality for shareholders, investors, and stakeholders. and all involved parties according to human rights principles It will not violate personal rights and freedoms. Do not discriminate against any one person.

Policy not to engage in infringement of intellectual property rights or copyright

The company has established policies and guidelines to ensure that personnel do not engage in infringement of intellectual property rights. or copyright Do not use unauthorized, illegal software or copy copyrighted software.

Policy on Responsibility for Data and Information

Promote the disclosure of accurate information sufficient and timely for transparency and fairness in investing and disclosure of important information, both financial and non-financial information.

1. Do not seek benefits for yourself and those involved by using inside information that has not yet been disclosed to the public. and do not disclose secret business information or for personal gain. which will lead to negative consequences for the company group to outsiders
2. Establish measures to prevent the misuse of inside information by related persons, including directors.

Executives, employees and employees of the company related to such information shall be disclosed to outsiders. or persons who do not have relevant duties And do not seek benefits for yourself and those involved from your position and the company's confidential information.

Policy on responsibility for quality, safety and health

Give importance to the management of quality, safety, and hygiene in operating with continuous standards. By setting and reviewing quality policies Safety, Occupational Health and Environment Including attaching good practices for sustainable development. The guidelines are as follows.

1. Comply with the law, including rules, regulations, and various requirements. in terms of quality and safety occupational health and environment Including various related standards strictly.
2. Executives, employees, and employees of contractors or outsiders who come in contact must adhere to and perform work in accordance with the law. Strictly related policies, regulations and standards for quality, safety, occupational health and the environment.

3. Arrange public relations and communication. To create knowledge and understanding and disseminate information to market employees. Those who have relevant stakeholders To know and understand policies, rules, regulations, procedures and various precautions regarding quality, safety, health and environment. as well as being able to use it as a practice guideline correctly without causing harm to health, property, and the environment as well as adhering to it as a correct practice guideline without causing harm to health Property and environment

4. Control and prevent various forms of loss. Resulting from accidents, fires, injuries, or injuries from work. Loss or damage to property Security violation Incorrect work performance and various errors that occur, as well as maintaining a safe working environment for employees Associate workers and employees of contractors or outsiders who come in contact with them are the responsibility of the management. Employees to report accidents at their workplace or nearby By following the steps specified.

5. Establish a plan to control and prevent emergencies in the area of operation. To prepare for incident management various emergencies that may occur.

6. Arrange for safety officers to work at every level under their command. Reserve safety officers in Management level work.

7. Promote, support, and follow up on work safety operations according to the plan. In order to have appropriate safety management for the business establishment.

8. Supervise business and follow up to have various defects corrected for the safety of employees as received reports or recommendations of safety officers at work or safety agency.

9. Develop a safety management system to be in line with relevant laws and regulations and ensure evaluate and review regularly.

10. Arrange for regular testing and practice of emergency procedures. and continuously improve.

Anti-corruption policies and practices And do not pay bribes for business benefits.

The company has an anti-fraud and corruption policy. Directors, executives, and employees are prohibited from supporting fraud and corruption. and to regularly follow up and inspect compliance with the anti-fraud and corruption policy. as well as reviewing the practice guidelines To be consistent with business changes The guidelines for practice are as follows:

1. Directors, executives and employees must comply with the anti-corruption policy and must Realize that corruption is inappropriate according to business ethics.
2. The company encourages personnel to have knowledge about fraud and corruption. To carry out work with honesty and integrity and prevent wrongdoing from occurring Through communication/public relations/circular letters.
3. The company has appropriate and regular internal audits and controls to prevent the performance of duties inappropriate employees.
4. The company reports its financial status in a transparent, verifiable, and accurate manner to protect the interests of all stakeholders.
5. The company sets policies regarding giving/receiving gifts entertainment or various expenses from persons conducting business with the company must be in accordance with local customs or trade customs. and has a value that is not excessively high
6. The company cooperates with the government sector. In specifying projects that are contracted with the government sector Proceed to reveal Statement of income - expenses to the Office of the National Anti-Corruption Commission (NACC).
7. Employees must not be negligent. If you see an action that is considered dangerous, you must notify your supervisor. or the responsible person knows or notify through the channels that the company has specified. The company keeps it secret to protect whistleblowers.
8. The company will be fair to the informant and the complainant before investigating the facts.
9. Those who commit corruption must be subjected to disciplinary consideration according to the company's regulations. But if the action that is illegal may be punished according to law.

Policy for protection of whistleblowers and related persons

The whistleblower will receive appropriate protection from the company, such as remaining in the same position. Protection against suspension, termination of employment, or anything else that will result in unfair treatment of that person. Complaint information will be kept confidential. Not disclosed to relevant people Except where disclosure is required by law.

Any person who is aware of the complaint Must keep relevant information or matters secret. If you violate this, you willfully disclose the information to the company. Disciplinary action will be taken against those who violate the rules.

Policy for reporting wrongdoing

Scope of the complaint

Directors, employees or any person acting on behalf of the company can be complained of if there is an offense that may be considered corruption

In the case where the person making the complaint does not reveal their identity The coordinator will consider the information. Or is the evidence clear enough? We will not accept complaints as follows:

- Matters that do not specify witnesses, evidence, or acts of corruption that can be investigated.
- Matters that have been considered It was found that the evidence was baseless. and there is no significant new evidence important additional information.

Company operations

- Complaint investigation

- A matter that is not complicated is a matter with clear evidence that does not involve many agencies. May be given to an appointed or authorized person has the right to investigate the facts of such complaints The appointed person must not have a vested interest in the complaint.

Complicated matter It is a matter that has a lot of evidence. or related to many agencies Present to the Chief Executive Officer and/or Managing Director To consider appointing a fact-finding committee. The appointed committee must not have a conflict of interest in the complaint.

- Processing time when receiving a complaint An authorized or appointed person will coordinate with the informant. Complaints within 7 days. Complaint investigators. Must consider and report the conclusions of complaints that have been resolved. Let the offender be informed within 30 days. The punishment must be approved by the approval authority.

In the case where a committee is appointed to investigate the facts Must consider and report a summary of complaints within 60 days since the date the fact-finding committee receives the order approving the appointment.

In the case of necessity that cannot be completed within the specified time Present the matter to the Chief Executive Officer and/or Managing Director. to consider extending approval of the inspection time.

- Reporting: Complaint investigators are responsible for reporting the results to complaint Reporter The complainant or other people involved were informed.

If the reported matter has an impact on the company's reputation and business operations financial status Matters must be reported to the Chief Executive Officer and/or Managing Director. Let us know the matter immediately. to carry out and bring the matter to the Board of Directors' meeting.

In the case where the committee investigates the facts It is proved that The whistleblower provided false information. Make the complainant receive deterioration or damage will be punished according to company regulations.

Channel for reporting clues

The company has established channels for all involved parties to exchange information, give advice, report or file complaints about unfair, illegal, or rights violations from the company's operations. or report clues to corruption To help promote the company's operations to be transparent under good corporate governance. You can make a complaint through Audit Committee or Internal Audit Department at

- **E-mail**

audit.committee@hydrotek.co.th

- **Letters**

Hydrotek Public Company Limited, No. 1, TP&T Building, 14th Floor, Soi Vibhavadi
Rangsit 19, Chatuchak Subdistrict, Chatuchak District, Bangkok 10900

2023



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