



Your
integrated
inspection
solution
provider

ANNUAL REPORT

2020



Your integrated inspection solution provider

ANNUAL REPORT
2020

Contents

ANNUAL REPORT 2020

7	Financial Summary
10	Message from the Board of Directors
13	Report of the Audit Committee
17	Report of the Nomination and Remuneration Committee
20	Board of Directors
24	Nature of Business Company Data
30	Business Overview
33	Shareholding Structure of the Company and Affiliates
34	Revenue Structure
36	Risk Factors
41	Shareholding Structure and Management
46	Management Structure
67	Corporate Governance
80	Corporate Social Responsibility
89	Internal Control
91	Related Transactions
95	Financial Status and Results of Operations
101	Explanation and Analysis of Financial Status and Results of Operations
107	Responsibility Report of the Board to the Financial Report
109	Auditor's Report
115	Financial Statement



❖ Vision

Qualitech Public Company Limited is committed to becoming a leader in providing one-stop services for engineering testing, inspection, and certification for safety in the ASEAN Economic Community (AEC), with an emphasis on applying innovation in service provision in parallel with the continued development of staff. The Company realizes the significance of social responsibility and professional ethics for sustainable business expansion.

❖ Value

Reliability, Safety, Agile, Customer Focus and Quality

❖ Mission

1. Expand to provide services for engineering testing, inspection and certification for public safety in the ASEAN Region.
2. Continually invent and develop the innovation of new services so as to thoroughly respond to customer insights.
3. Enhance and elevate personnel competency in a continuous manner along with cultivating professional ethics
4. We pledge to conduct business with relentless Commitment to the principles of good governance, social responsibility and environmental stewardship.

Achievement Award



Mr. Sannpat Rattakham, Chairman of the Board of Director, Qualitech Public Company Limited
receiving Thailand's SMEs Reputation Awards 2019
Thailand's Reputation Awards 2019
on 28 October 2020 at Maha Chulalongkorn Building



Financial Summary

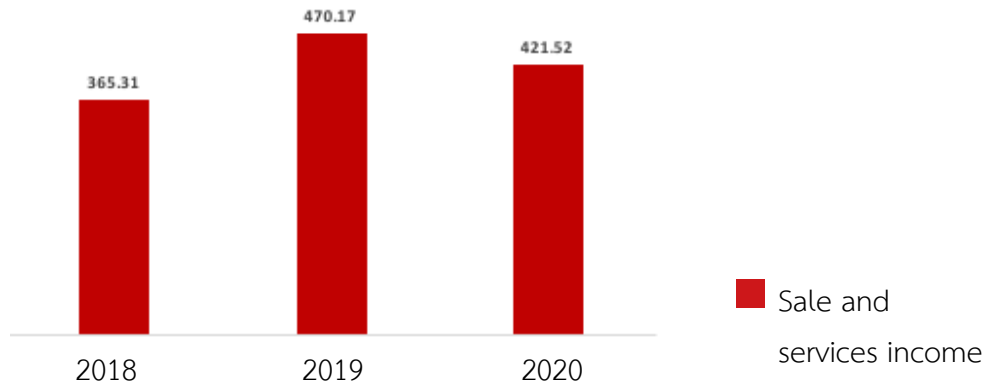
Financial Summary

	31 December	31 December	31 December
Statements of Comprehensive Income (Million Baht)	2020	2019	2018
Sale and services income	421.52	470.17	365.31
Cost of sale and services and Distribution Cost and Administrative expenses	393.15	418.91	364.57
Gross Profit	106.12	122.51	67.87
Net Profit	31.83	50.94	10.03
Statements of Financial Position (Million Baht)			
Total Assets	516.70	542.45	485.24
Total Liabilities	69.55	85.95	46.74
Total Shareholders' Equity of the parent company	447.73	456.50	438.37
Financial Ratio			
Gross Profit Ratio (%)	25.18	26.06	18.58
Net Profit Ratio (%)	7.55	10.83	2.66
Return on Equity (%)	7.04	11.39	2.26
Return on Total Asset (%)	6.01	9.91	2.73
Debt to Equity Ratio (times)	0.16	0.19	0.11
Earnings Per Share			
Net Profit Per Share (Baht)*	0.32	0.52	0.27
Book Value Per Share (Baht)	4.54	4.63	4.45

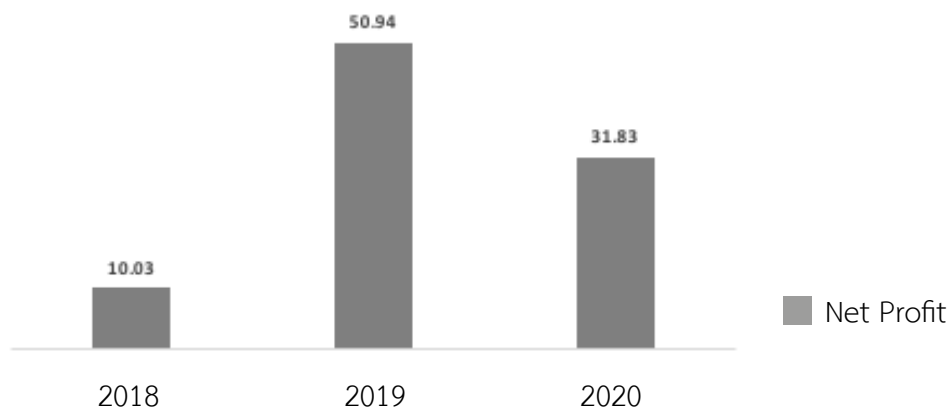
* Number of shares outstanding computed using weighted average method

Financial Summary

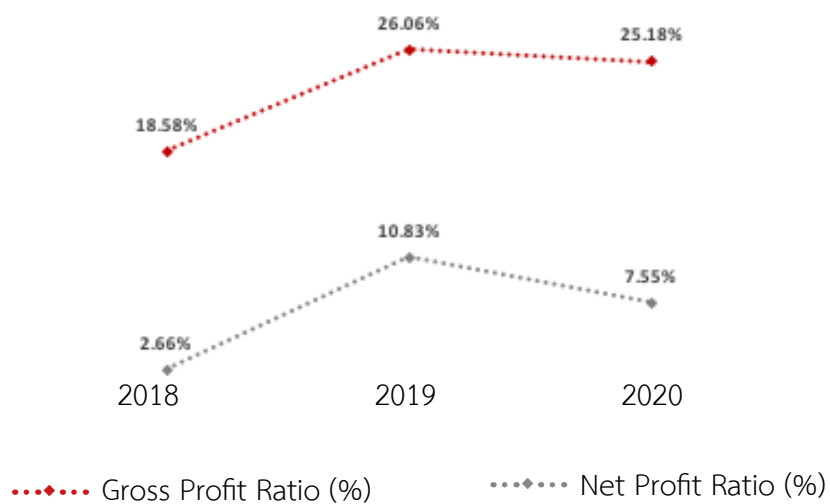
Sale and services income (Million Baht)



Net Profit (Million Baht)



Financial Ratio





Message from Board of Directors

Message from Board of Directors



Dear shareholders and related persons

Since the end of 2019, the COVID-19 pandemic has had a wide-ranging impact on several business sectors, both directly and indirectly. Likewise, Qualitech Public Company Limited has been similarly impacted since the majority of trade partners are strictly conforming to the practice guidelines for preventing the spread of COVID-19 by reducing or putting on hold on-site activities. Myanmar is currently in lockdown affecting subsidiary operations, thereby greatly affecting the Company's operating results.

In 2020, the Company's total income was 424.55 million baht, a 10.35 % decrease, and net profit at 31.83 million baht, a 37.51 % decline compared to the previous year. Despite the fact that the operating results did not meet the specified target due to the unpredictable events previously mentioned, the Company is determined to continually develop the organization, personnel, and operating system as planned. The plan covers an increase in new services, the creation of business alliance abroad, the development of a work system to strengthen efficiency and personnel for more knowledge and multi-skills so as to rotate work performance across work fields without having to replace or recruit more staff. As regards the objective of expanding into new business is still ongoing In terms of social and communal responsibilities, the Company has conducted a scholarship project for primary youths in Rayong with good study records but lacking financial support. The first scholarship presentation was carried out during the middle of last year.

The Company is proud to obtain Thailand's SMEs Reputation Awards 2019, being one of the ten organizations for Thailand's Reputation Awards 2019 selected by Faculty of Communication Arts, Chulalongkorn University in October 2020. In addition, the Company received the letter of compliment from customers as pertains to safety at work with no accidents for several years in a row. The Company's Certificate of Membership to Thai Private Sector Collective Action Against Corruption (CAC) has been renewed – an award highlighting the determination to provide standard service under Good Corporate Governance.

As for 2021, the Company estimates that Non-Destructive Testing should recover owing to several upcoming projects in the country and module testing exported to foreign countries. Regarding Inspection and Certification, these have begun to recover slightly. However, due to the fierce competition, the operating results of this category is not expected to be outstanding. Mechanical and Metallurgical Testing has also been able to expand. However, subsidiaries in Myanmar are currently unable to provide any service as they're currently in lockdown. Other significant work plans include business diversification, a major goal for consecutive years that aims to create diversity in providing services and disseminating business risk. In 2021, this work plan will be more actively pursued.

Lastly, on behalf of the Board of Committee, Qualitech Public Company Limited, I would like to express heartfelt thanks to all Executives and staff for their dedication and determination to drive the organization in such a challenging situation to the fullest efficiency. I also would like to thank all shareholders, trade partners, and stakeholders in every sector for their continual trust and support.

A handwritten signature in blue ink, appearing to read 'Sannpat Rattakham', is centered on the page.

Mr. Sannpat Rattakham
Chairman of the Board of Directors/
Chairman of the Executive Committee



Report of the Audit Committee

Report of the Audit Committee



Dear shareholders

The Audit Committee of Qualitech Public Company Limited consists of 3 of the company's independent directors. These directors are fully qualified for the audit committee in accordance with the criteria given in the notice of Security and Exchange Commission and The Stock Exchange of Thailand. The members are as follows :

1. Mr. Somyos Jiamjirangkorn Chairman of the Audit Committee / Independent Director
2. Mr. Tinnakorn Sidasombun Audit Committee / Independent Director
3. Mr. Somchai Jongsirilerd Audit Committee / Independent Director

In 2020 the Audit Committee arranged 4 meetings with the executives, internal auditors and auditors including the meeting attended by only the audit committee and auditors. The significant matters regarding the work performance in 2020 are as follows:

1. Financial Reports

The Committee reviewed quarterly and annual financial reports along with the adequacy of the information disclosed, promptitude, compliance with financial reporting and accounting standards, to ensure the reports' accuracy, completion and usefulness.

2. Internal Control Adequacy

The Committee reviewed the adequacy and efficiency of the internal control system by considering the reports from the Internal Audit Department and Adequacy of Internal Control Evaluation Report. For any issues arising, the Committee provided advice and suggestions to executives for improvements.

3. Risk Management Adequacy

The Committee reviewed the risk management guidelines and policy, progression of operation risk management so as to mitigate or control risk, as well as auditing the several working operating systems of the Company, the adequacy of the risk control system.

4. Corporate Governance and Compliance with laws and regulations

The Committee reviewed good corporate governance and compliance with laws which Company apply the principles appropriately to ensure the creditability and sustainable value for the business, including the compliance with laws that related to Company's business.

5. Anti-Corruption

The Committee reviewed the anti-corruption policy in accordance with Thailand's Private Sector Collective Action Coalition Against Corruption : CAC, which Company has reviewed and continually adhere to.

6. Connected Transaction and Conflict of Interest

The Committee reviewed the connected transactions of the Company and its subsidiaries, and transactions of which a conflict of interest may occur, to ensure that the Company continued to operate in line with the relevant regulations and disclosed information in the interests of transparency. The Committee did not find any significant unusual transactions.

7. Consideration to appoint auditors and compensation for year 2021

The Committee considered performance of the auditors in previous year and concluded that the auditors have been independent, skillful, experienced in the Company business, and qualified as specified by Securities and Exchange Commission and The Stock Exchange of Thailand.

The Committee, thus, proposed to the Company's Board of Directors for shareholders' approval to appoint D I A International Audit Co., Ltd to be the Company's auditors for fiscal year 2021 with the compensation not exceed 1,260,000 Baht. Name of the auditors are as follows;

Mrs. Suvimol Krittayakiern	CPA Registration No.2982 or/and
Mr. Jumpoj Prairattanakorn	CPA Registration No.7645 or/and
Mr. Nopparoek Pissanuwong	CPA Registration No.7764 or/and
Ms. Suphaphorn Mangjit	CPA Registration No.8125 or/and
Mr. Viroj Sajjathamnukul	CPA Registration No.5128 or/and
Ms. Somjintana Phonhirunrat	CPA Registration No.5599

Nonetheless, in performing its duties, the Audit Committee has independently considered, proposed opinions and suggestions as regards the management in the utmost interest of the Company. The Committee thereupon would like to thank every party for their excellent collaboration.

On behalf of Audit Committee



Mr.Somyos Chiamchirungkorn
Chairman of the Audit Committee



Report of the Nomination and Remuneration Committee

Report of the Nomination and Remuneration Committee



Dear shareholders

The Nomination and Remuneration Committee was appointed by the Company's Board of Directors on May 7, 2016 as to be in line with the good corporate governance policy of the Company and The Stock Exchange of Thailand. The Committee assists the Board in the areas of the nomination and remuneration of all the directors and all executives from the managing director level and above to ensure that conduct is transparent, just, and fair to the stakeholders of all areas.

The Committee consists of 2 independent directors and 1 executive director as follows:

Mr. Somyos Chiamchirungkorn	Chairman of the Nomination and Remuneration Committee / Independent Director
Mr. Somchai Jongsirilerd	Member of the Nomination and Remuneration Committee / Independent Director
Mr. Thawatchai Lipithorn	Member of the Nomination and Remuneration Committee / Executive Director

For the year 2020, the Committee held a meeting once times and summarized the major content regarding the work performance of the Nomination and Remuneration Committee as follows:

1. Recruit and propose candidates whose qualifications are suitable to be directors to replace those who complete the term.

2. Consider the Director's remuneration and allocation of gratuity for the year 2020 within the budget approved by the shareholders.

3. Designate the 2021 remuneration for the Board of Directors and committees for proposal in the meeting. The Board of Directors approved and proposed the remuneration to the shareholder meeting for approval.

4. Consider the assessment result of the work performance of the Managing Director as of yearly and specify the remuneration accordingly.

5. Revised the Nomination and Remuneration Committee's Charter

The Committee has strictly performed duties under the charter and considered the best interests of organization and shareholders.

On behalf of The Nomination and Remuneration Committee

A handwritten signature in blue ink, appearing to read 'Soye', with a long horizontal stroke extending to the left.

Mr. Somyos Chiamchirungkorn
Chairman of The Nomination and Remuneration Committee



The Board of Directors

The Board of Directors



Mr. Sannpat Rattakham

- ◆ Chairman of the Board of Director
- ◆ Director
- ◆ Chairman of the Executive Committee
- ◆ Executive Director



Mr. Somyos Chiamchirungkorn

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



- ◆ Mr. Tinakorn Seedasomboon
- ◆ Member of the Audit Committee
- ◆ Independent Director

The Board of Directors



Mr. Somchai Jongsirilerd

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



Mr. Somchaan Lubtikultham

- ◆ Director



Mr. Thawatchai Lipithorn

- ◆ Director
- ◆ Executive Director
- ◆ Member of the Nomination and Remuneration Committee

The Board of Directors



Mr. Supachok Sirichantaradilok

- ◆ Director
- ◆ Executive Director



Mr. Domdej Sripinproach

- ◆ Director
- ◆ Executive Director
- ◆ Managing Director



Mr. Komjak Rattakham

- ◆ Director
- ◆ The Company's Secretary



Nature of Business Company Data

Head Office



• Company Data

Company Name	Qualitech Public Company Limited.
Set Symbol	QLT
Registered Capital	98.57 million Baht with 98.57 million Baht paid up Type of Business Non-Destructive Testing, Inspection and Certification and Mechanical Test
Company's registration	No. 0107550000220
Website	www.qualitechplc.com
Head Office	21/3 Banplong Road, Maptaphut, Mueang, Rayong 21150
	Tel. (+66) 3869-1408 to 10 Fax. (+66) 3869-2028

Branch Office (1)



Branch Office (1)

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Tel. (+66) 3810-9651 to 2 Fax. (+66) 3810-9653

Branch Office (2)



Branch Office (2)

50, Soi Pattanakarn 57, Prawet, Bangkok 10250

Tel. (+66) 2116-9294 Fax. (+66) 2722-1132

Branch Office (3)



Branch Office (3)

83/50 Moo 10, Nongkham, Si Racha, Chonburi 20230

Tel. (+66) 3300-5161 to 3 Fax. (+66) 3300-5164

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Registrar	The Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 14th Floor, Tower A, 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. (+66) 2009-9378 Fax. (+66) 2009-9476
Authorized Auditor	Mrs. Suvimol Krittayakiern CPA Registration No. 2982 D I A International Audit Co., Ltd 316/32 SoiSukumvit 22, Sukumvit Road, Klongtoey District, Bangkok 10110 Tel. (+66) 2259-5300 Fax. (+66) 2260-1553



Business Overview

Business Overview

Qualitech Plc. conducts its business offering the Safety Engineering Service, Non-Destructive Testing, Destructive Testing, Mechanical and Metallurgical Testing, Inspection and Certification, as well as providing consulting service regarding engineering safety at the international level (Third Party Engineering Service) to several organizations in accordance with global standards.

Qualitech Plc. provides the Safety Engineering Service as concerns Testing, Inspection and Certification using high technology for customers in the market industry such as energy and others. The Company's engineering services total 5 categories:

1.Non-Destructive Testing (NDT)

The method of process is to find defects or malfunctions in pieces or equipment using high technology to ensure no damage on tested pieces or equipment with both Conventional Non-Destructive Testing, such as, Magnetic Particle Test, Dye Penetrant Test, Radiographic Test and Advanced Non-Destructive Test by Phased Array Ultrasonic Test, Eddy Current Array, etc.

2.Destructive Testing

This method is performed using Metallurgical and Mechanical Testing to test the physical and chemical properties of different types of metal such as tensility, compression, pressure and impact. It also includes the inspection of microstructure in a metal, and the testing of chemical composition affecting the solidity and erosion of metal.

3.Plant Inspection Service

The inspection is performed on equipment and/or work pieces installed in the plant using Non-Destructive Testing so as to assess the condition of equipment and/or specimen to find out whether they can continue to function safely. Furthermore, Risk Based Inspection is applied to specify, assess, and compile an accurate engineering risk map or prioritize the necessity to inspect each item of equipment, tool or work piece.

4. Inspection and Certification

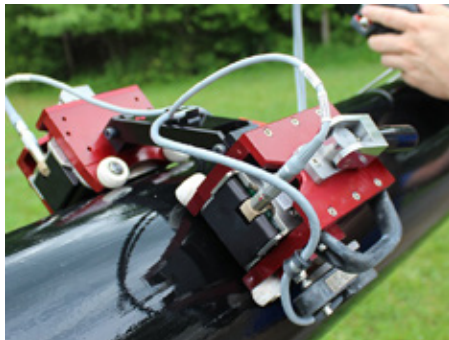
This is an ongoing process or a process continuing on from the testing and inspection.

During this process, the Company will evaluate the testing results or inspect the work according to the technical methods during each stage. The Company then will compile a report certifying the functional condition realistically and accurately, identifying how safe the condition is of the equipment, tools or work pieces. For example, the certification of test results, inspection of storage tanks and pipeline for the transfer of oil, natural gas, liquid propane gas, industrial boilers, and containers for dangerous chemical substances or objects in compliance with the law as stipulated by the Department of Energy Business and the Department of Industrial Works.

5. Tank Cleaning

This is a cleaning service for industrial tanks prior to operation following the process. For example, cleaning before entering the tank inspecting process, cleaning to remove sediment or to change the type of substance to store in the tank.

The Company has continuously developed the services to serve the customers requirement with new type of services using advanced technology, such as Medium Range Ultrasonic Test for equipment inspection in inaccessible areas and distinguish defects with better resolution than conventional inspection methods, Intelligent Pigging Inspection Solution, Inspection and Maintenance service by using Rope Access technique which commonly used to inspect the equipment in high and difficult to reach area. The mentioned services received a good response from customers and increased workloads.



Medium Range Ultrasonic Test



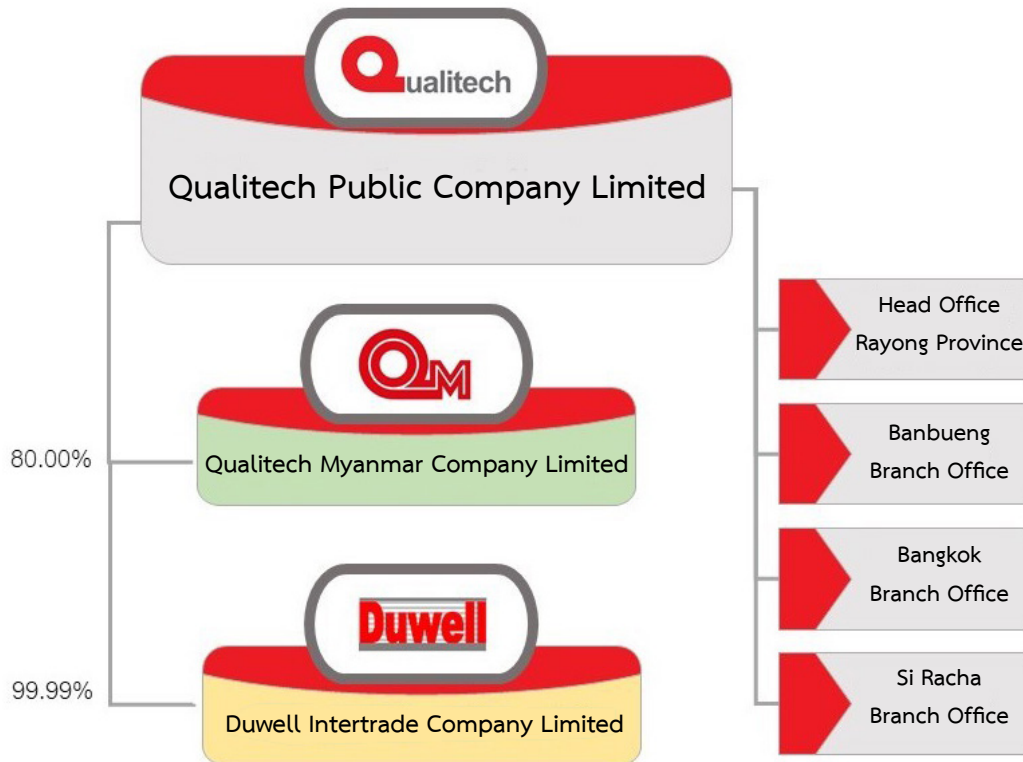
Rope Access

As the main clients of the Company are large industrial entrepreneurs such as those in energy, construction, project owners, project contractors, etc., the Company has set the target for the business to continuously compete with the technology driving the change in the industry market. In addition, the Company is placing emphasis on the business management to become strong, up-to-date, and continually and effectively supporting the job market by expanding business and new services using high technology as well as building the alliance network. The Company also extends its business base into other industries so as to build up the Company's business activities for strong development and stability.



Shareholding Structure of the Company and Affiliates

Shareholding Structure of the Company and Affiliates



Remark : The Meeting of the Board of Committee No. 6/2020 on 12 August 2020 resolved the approval of the closing down of QLT International Company Limited whereby the registration to dissolve the company and the payment of accounts were settled on 17 November 2020.

Subsidiaries

Qualitech Plc. has 2 subsidiaries:

1. Qualitech Myanmar Co., Ltd.

Qualitech Plc. holds 80% of the total shares. Qualitech Myanmar Co., Ltd. has a registered capital of 200,000 USD and paid up capital of 195,000 USD, operating in the safety engineering service in Myanmar as well as in other related businesses.

2. Duwell Intertrade Co., Ltd.

Qualitech Plc. holds 99.99% of the total shares. Duwell Intertrade Co., Ltd. has a registered capital of 20,000,000 Baht and paid up capital of 9,930,000 Baht, and operates its business selling equipment and tools relevant to Non-Destructive Testing (NDT)

Revenue Structure

Unit : Million Baht

Type of Work	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Non-Destructive Testing	184.80	43.53	198.52	41.92	151.38	40.09
Inspection and Certification	204.01	48.05	246.17	51.98	198.16	52.48
Others Service and Sales	32.71	7.70	25.48	5.38	15.77	4.18
Others Revenue	3.03	0.71	3.41	0.72	12.27	3.25
Total	424.55	100.00	473.58	100.00	377.58	100.00



Risk Factors

Risk Factors

1. Risk regarding payment collection from customers

The Company's customers can be classified into two major groups.

The first comprises the manufacturing owners (users), such as PTT, Chevron, and ESSO in which they hold the Company is revenue around 50% and have no payment or credit problems.

The other is the group comprising the contractors. These customers account for around 40% of the Company's revenue. It is normal procedure that, in a large project, like oil refinery construction and gas pipeline installation, the project owner will contract a major or main contractor to carry out the project. Qualitech Plc. Undertakes the role of subcontractor for the process of engineering testing and inspection. In cases where the main contractor does not complete a project, the Company can not therefore collect payment, or the payment from the project owner is overdue and thus adversely affects the Company's operations.

Risk Prevention and Reduction

The Company has formulated a plan to mitigate the risk of defaults on payments in the future by comprehensive credit assessment of its clients. This is done through analysis of financial positions, assessing the sufficiency of registered capital compared with the size of the project to be undertaken, as well as considering debt payment history by requesting information from the relevant parties. Moreover, the Company classifies the grades of its debtors every quarter. Should there be any indication of a delayed payment, the Company may request the contractor to issue a letter to the project owner transferring the contractor's debt directly to the project owner. The Company may then suspend the provision of services until the arrears are paid, or the Company may proceed by other means as it deems appropriate.

2. Risk regarding Personnel

The Company conducts its business providing specific services including testing, inspection and certification. Therefore, the Company depends on having staff with the knowledge, expertise, testing skills and who can accurately interpret test results. This is as a minor error could lead to catastrophic damage to both life and property. It is necessary to have a large number of capable staff to generate greater income. Employee turnover or incapable staff would adversely affect the Company.

Risk Prevention and Reduction

The Company ranks personnel development as its top priority, with the policy of enhancing the knowledge of staff through domestic and overseas trainings. The Company also set up the internal training unit to carry out the NDT training program, inspection and certification, and other related programs such as work safety. The Company has a strict staff selection policy to acquire qualified staffs continually and has made an agreement with several academies in recruiting staff, allowing the Company to select new knowledgeable and competent staff according to the work objectives. Currently, the Company has an adequate amount of personnel to provide services. Our staff are continually developed to support future work expansions, enabling the Company to gain a reliable and good image.

In addition, the Company has a policy of retaining skilled staff with remuneration levels no less than the average industry rate, while also providing health insurance and setting up a provident fund as an employee benefit. The Company grants scholarships for the relevant fields of work, carries out ESOP and other projects so as to create morale among staff. Such policy will help retain staff at the Company.

3. Risk regarding service guarantee

In providing Non-Destructive Testing, there will be a report on the test results identifying what has been found in a test subject, and a preliminary assessment compared with the criteria of the international standards which is not a guarantee nor accreditation that such tested subject suits all usability. The information on design, materials, and other tests will be put together for further analysis. Simply said, the test is only one step of Inspection and Certification.

As regards Inspection and Certification, it requires several procedures and puts together the information on design, manufacturing methods, and other tests in addition to NDT so as to assess the results in compliance with the regulations of the international standards and/or legal regulations. This may cause risk in terms of error occurring during the process of inspection and certification, resulting in the subject of testing being damaged from actual use.

Risk Prevention and Reduction

Causes of possible mistakes during the inspection and certification process mostly arise from the skipping of steps and/or negligence to work attentively on the inspector's part. The Company, therefore, focuses on the development of knowledge and work competency, whereby employees involved in the testing are required to attend training and perform work directly under the supervision of a supervisor so as to raise their awareness of the impact caused by any malpractice. The supervisor also inspects and monitors the performance periodically.

Previously, the Company never received complaints from clients and is therefore confident that the risk regarding service guarantee is controllable. The Company has also never made mistakes in assessing the test results.

4. Risk regarding Competition

Testing, inspection and quality certification are services that mainly require personnel. Competent staff can leave the Company, set up their own business, or easily take market share at the expense of the Company. For the business to expand well, this relies on a good work system and work, as well as other component factors. Moreover, there are other rival companies from abroad established in Thailand providing different services from those offered by the Company such as Advanced NDT.

Risk Prevention and Reduction

In addition to offering high remuneration to competent staff, the Company also places an emphasis on creating good relations with staff. The Company has designated a concise employment contract to prevent staff from resigning and setting up a competitive business against the Company. Meanwhile, the Company has provided and developed new technology as regards inspection and testing so as to continually add value to the service provided to clients. The Company has also adjusted itself in terms of marketing by becoming a partner with foreign companies specializing in Advanced NDT in jointly providing services to clients. This proves beneficial to the Company as it increases clients in the market and allows the Company to learn new technology from alliances to ready itself for increasing competition in the future.

5. Risk regarding Financial

Since the company has neither short-nor long-term loans, the risk from interest rate fluctuations is very limited. In addition, the Company's business partners have strong financial stability. Consequently, the financial risk of the company is not a concern.

6. Risk regarding Currency Exchange Rate

The Company rarely purchases equipment and consumables abroad. Thus, any risk here is slightly as for subsidiaries in foreign countries, the Company uses local currency for both income and expenditure.

7. Risk regarding Industrial and Competitive Environment

Since the main business operation of the Company focus on serving large industry customers such as oil and gas exploration, petrochemical industry and construction of steel fabrication. According to the declining of oil price affected the investment in new project, including

the customer's plant inspection budget. This factors directly affected the demand of inspection and testing services, and the decrease of demand caused the severe price competition in the industry. The Company must reduce the price of some services as appropriate to maintain the significant customer base which resulted the lower business profits as well.

Risk Prevention and Minimization

1. Maintain loyal customer base of the Company by using price strategy
2. Expand customer pool in other industry such as clean energy industry, paper industry, biomass power plant
3. Develop the organization to meet international standards such as ISO/IEC 17025, ISO/IEC 17020, ISO 9001 and ISO 45001 so as to build more confidence in service quality among clients
4. Develop the personnel in accordance with European standards to enhance service variety
5. Setting up a marketing unit and business developing unit in order to expand the job market for testing, inspection and certification, and enlarge the testing laboratory for mechanic and metallurgy. Study customer insights in greater depth so as to improve the process and/or offer more new services.
6. Establish a research and development unit to follow-up on technological progress and evaluate suitability in order to develop new services for customers.

8. Risk regarding Consumables

The Company uses consumables in providing different types of services that do not cost much. Most consumables are ordered online through domestic dealers and several authorized distributors. A purchase is not made with only one distributor. Therefore, the Company has no risk derived from dependence on one particular dealer. Also the Company has designated the plan for work performance in advance.

9. Risk from Changes of Government Policies, Standards and Regulations Related to the Company

The Company therefore always has to follow-up on news, information, and the direction of the Government's operations, as well as closely collaborating with related government agencies so as to evaluate changes and impacts that may rise, both positive and negative factors on a periodical basis. This has been regulated as the duty of Chief Executive Officers. In order to mitigate such risk, the Company has closely monitored the change in government policies to apply regulations and laws in accordance with work performance.



Shareholding Structure and Management

Shareholding Structure and Management

◆ Company Securities

The Company has a registered capital of 98,568,485 million Baht as 98,568,485 million shares of common stocks, with a par value of 1 baht per share. It has common stocks which were issued and paid-up for 98,568,485 million baht, consisting of 98,568,485 million shares of common stocks.

The top 10 shareholders whose names appear in the shareholder register book as of December 30,2020 consist of

Rank	Name of Shareholders	No. of Shares	Percentage
1	Mr.Sannpat Rattakham Group ¹	22,392,560	22.72
2	Mr.Somchaan Lubtikultham Group ²	19,121,535	19.40
3	Mr.Thawatchai Lipithorn Group ³	12,213,220	12.39
4	Mr.Suthisan Sirichanthorndirok Group ⁴	7,406,815	7.51
5	NORTRUST NOMINEES LTD - CLAC	3,759,600	3.81
6	Ms.Wimol Saetiao	3,675,000	3.73
7	Mr.Sumet Techachainiran ⁵	2,639,855	2.68
8	THAI NVDR Company Limited	2,520,665	2.56
9	Ms. Rashaneewan Rawirach	1,722,000	1.80
10	Ms. Piyada Khunsongkiet	1,639,400	1.66
11	Others	22,477,835	21.74
	Total no. of shares	98,568,485	100.00

Remark:¹Mr.Sannpat Rattakham Group :

Name	No. of shares	% of paid-up shares capital
Mr. Sannpat Rattakham	17,840,000	18.10
Ms. Yanakorn Rattakham	4,502,000	4.57
Mrs. Maneerat Rattakham	35,910	0.04
Ms. Pranee Rattakham	14,650	0.01
Total	22,392,560	22.72

² Mr.Somchaan Lubtikultham Group :

Name	No. of shares	% of paid-up shares capital
Mr. Somchaan Lubtikultham	10,027,500	10.17
Ms. Monchaya Lubtikultham	4,660,835	4.73
Ms. Monsicha Lubtikultham	4,410,000	4.47
Mr. Monthanat Lubtikultham	23,200	0.03
Total	19,121,535	19.40

³Mr.Thawatchai Lipithorn Group :

Name	No. of shares	% of paid-up shares capital
Mr. Thawatchai Lipithorn	4,719,520	4.79
Mrs. Kamolnan Lipithorn	3,864,500	3.92
Ms. Nuannapa Lipithorn	3,629,200	3.68
Total	12,213,220	12.39

⁴Mr.Suthisan Sirichanthorndirok Group :

Name	No. of shares	% of paid-up shares capital
Mr. Suthisan Sirichanthorndirok	4,042,500	4.10
Mr. Yutthachai Sirichanthorndirok	3,364,315	3.41
รวม	7,406,815	7.51

⁵Mr.Sumet Techachainiran Group :

Name	No. of shares	% of paid-up shares capital
Mr. Sumet Techachainiran	1,885,355	1.91
Ms. Nattacha Techachainiran	754,500	0.77
Total	2,639,855	2.68

◆ Policy on the Payment of Dividends

The Company has a policy to pay dividends to the Shareholders at a rate not less than 40% of net profit after deducting the tax of the juristic person and required under the law. The Company may designate the dividend payment at a lower rate than the rate specified above.

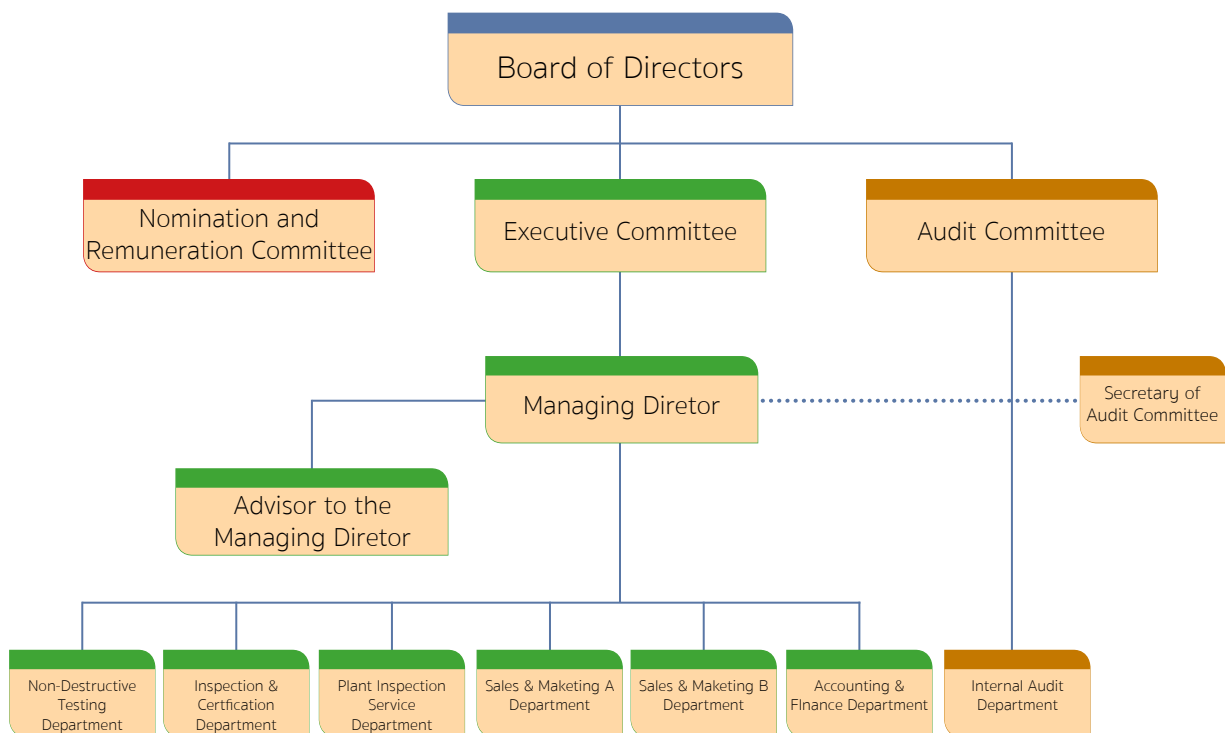
Dividend History	2020	2019	2018
Interim Dividend (Baht)	0.05	0.05	0.00
Annual Dividend Payment (Baht)	0.30*	0.35	0.25
Earning (Loss) per share (Baht)	0.41	0.52	0.26
Dividend Payout (%)	72.82%	67.09%	96.68%

Note : * Annual dividend for the year 2020 will be proposed for approval at the AGM 2021 on April 8, 2021.



Management Structure

Management Structure



◆ In 2020, The Board of Director comprises 9 directors as follows;

Rank	Name	Position	Education Qualification	Training on the functions and skills of director
1	Mr. Sannpat Rattakham	Chairman of the Board of Director / Chairman of the Executive Committee/ Executive Director	Master degree	DAP
2	Mr. Somyos Chiamchirungkorn	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	Master degree	DCP
3	Mr. Tinakorn Seedasomboon	Independent Director / Member of the Audit Committee	Master degree	DAP,DCP, ACP,RCP,AACP
4	Mr. Somchai Jongsirilerd	Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee	Master degree	DAP,ACP, AACP,ELF
5	Mr. Somchaan Lubtikultham	Director	Master degree	DAP
6	Mr. Thawatchai Lipithorn	Director / Executive Director / Member of the Nomination and Remuneration Committee	Bachelor degree	DAP
7	Mr. Supachock Sirichataradilok	Director / Executive Director	Master degree	DAP,DCP
8	Mr. Domdej Sripinproach	Director / Executive Director	Master degree	DAP
9	Mr. Komjak Rattakham ¹	Director / Secretary	Master degree	DAP,CSP

Remark : ¹Mr. Komjak Rattakham was appointed a director on 15 July 2020 according to the resolution of the Annual General Shareholder's Meeting 2020. and the Company's Secretary on 22 February 2020 according to the resolution of the Board of Directors Meeting No.2/2020 with effect on 9 April 2020.

◆ Directors completing the term during 2020

Rank	Name	Position	Education Qualification	Training on the functions and skills of director
1	Mrs. Maneerat Rattakham ¹	Director	Master degree	DAP

Note : ¹Mrs. Maneerat Rattakham has completed the term position as a Director on 15 July 2020.

◆ Authorized directors on behalf of the Company :

The names and number of Directors having the authority to sign on behalf of the Company are: Mr. Sannpat Rattakham, Mr. Thawatchai Lipithorn, Mr. Domdej Sripinproach, and Mr. Supachock Sirichantaradilok. Two out of four Directors can co-sign and stamp the Company's seal.

◆ The term of the Office of Directors :

1. The Company directors hold a position for a term of 3 years.
2. Chairman of the Board hold a position equal to the term of Director. When the term of office has ended, the position of Chairman of the Board shall be deemed to have ended simultaneously. Then the Board of Director will erect new Chairman of the Board which could be the same person.
3. Every Annual General Meeting, there will be the directors whose term expires at least 1 out of 3, If the number of directors cannot be divided into three parts, then consider the number that closest to 1 out of 3.

Directors whose term expires under paragraph one could be nominated as a director again if the meeting agrees to. Directors who retire in the first and second years after the registration of the Company shall be determined to retire by draw of lots. In the following year, the director who has been held the position for the longest time shall be retired.

◆ The scope of duties and responsibilities of the Board of Directors:

1. To convene a Shareholders' Meeting —the Annual General Meeting — within 4 months after the last date of the Company's accounting period.
2. Directors attend the meeting on a specified date, time and venue at least once every three months.

- If the Chairman is performing other duties or unable to attend the meeting for any reason, the Chairman notifies the secretary prior to the meeting day to inform every director for acknowledgement on the same day or the day after the day the Chairman announces his absence.

- A director who is engaged in other business or unable to attend the meeting for any reason shall inform the Chairman or the secretary prior to the day of the meeting.

3. To consider the approval of the Financial Statement approved by the Audit Committee.

4. To consider to agree and approve the Annual Financial Statement approved by the Audit Committee, and propose to the Shareholder's meeting for approval.

5. To have the power to authorize one or several Directors or other persons to act on behalf of the Board by being under the supervision of the Board; or to authorize that individual to have certain authorities within the period that the Board deems appropriate. The Board may annul, revoke, modify or change the designation or the scope of authorization as and when it deems appropriate. Moreover, the Board may authorize the Executive Committee to act with the details of the authorization in accordance with the scope of the authorization and duties of the Executive Committee, given that such authorization must not constitute an authorization to the Executive Committee or any authorized person to consider and approve the items in which the Board of Directors, the authorized person, concerned person or interested person have any conflict of interests with the Company or its subsidiaries; except when such authorization is approved according to the policy and criteria that the Board has considered and approved, which must be in accordance with the law;

6. To determine the Company's goals, roadmaps, policies, work plans and budgets; control and supervise the management of the Executive Committee ensuring that it is in line with the given policies except for matters for which the law requires approval from the Shareholders' Meeting to first be sought, for instance capitalization, capital reduction, sale and ownership transfer of the Company in its entirety or a significant part to another party, purchase or ownership acquisition of other company by the Company, and modifying the articles of association or regulations. Moreover, the Board has within its scope of duties the supervision of the Company in ensuring its compliance with the laws on securities and stock exchange. Regulations concerning the stock exchange, for instance, connected transactions, purchase or sale of important assets pursuant to the regulations of the Stock Exchange of Thailand or the law relating to the Company's business;

7. To consider the management structure, appoint the Executive Committee, Managing Director and other Directors as deemed appropriate;

8. To follow-up on overall operations ensuring they continuously align with the work plan and budgets;

9. A Director must not operate a business of the same type as the Company's or be in competition with the Company; or be a partner in a general partnership, or be a general partner in a limited partnership, or be a Director of a private company or other company of the same type as the Company's or be in competition with the Company, whether for his/her or any other party's benefits. An exception is when the Shareholders' Meeting has been informed prior to his/her appointment;

10. A Director must promptly inform the Company if he/she has an interest, whether directly or indirectly, in a Company's contract; or if the holding of shares or other properties of the Company or its affiliated companies were increased or reduced;

11. To be responsible for considering and approving policy and efficient procedure of anti-corruption to acknowledge employees.

12. To specify the approval limit of the Executive Board.

◆ Audit committee

The Company's Audit Committee comprises the following 3 Directors :

Rank	Name	Position
1	Mr. Somyos Chiamchirungkorn	Chairman of the Audit Committee
2	Mr. Somchai Jongsilerd	Member of the Audit Committee
3	Mr. Tinakorn Seedasomboon	Member of which have sufficient knowledge in accounting to review the reliability of the financial statement.

With Ms.Wimol Saephung, Internal Audit Department Manager performs as Secretary to the Audit Committee

◆ Term of the Office of the Audit Committee Member :

The Audit Committee chairman and members have 3-year terms. In cases where an Audit Committee member resigns before the term expires, a replacement member will serve until the remaining term of the resigned member expires.

◆ Terms of reference and responsibilities of the Audit Committee :

Terms of reference of the Audit Committee:

1. To review that the Company accurately and adequately reported its quarterly and annual financial statements by coordinating with the external auditor and management responsible for the financial statement. The Audit Committee may propose that the auditor verofu pr audit any item deemed necessary and important during the Company's auditing;
2. To review that the Company has proper and effective internal control and internal audit system;
3. To review that the Company conforms with the laws regarding securities and stock exchange, regulations of the stock exchange, or laws regarding businesses of the Company;
4. To consider, select, and propose an appointment, as well as propose remuneration to the auditors of the Company;
5. To consider the full and accurate disclosure of the Company's information as concerns connected transactions or items relating to conflict of interests;
6. To prepare the auditing report of the Audit Committee for disclosure in the annual report of the Company which must be signed by the Audit Committee Chairman;
7. To conduct any other work as assigned by the Board of Directors with consent from the Audit Committee;

8. To report the work of the Audit Committee to the Board of Directors at least every 3 months;
9. To be empowered to audit and investigate certain matters, as necessary, including seeking other independent professional opinions when deemed necessary, using the Company's expenses, in order to perform its duties and responsibilities successfully;
10. To control policies and procedures against corruption to ensure that the company complies with laws and a code of ethics.

◆ **Nomination and Remuneration Committee**

The Company's Nomination and Remuneration Committee comprises of 3 directors as follows

Rank	Name	Position
1	Mr. Somyos Chiamchirungkorn	Chairman of the Nomination and Remuneration Committee
2	Mr. Somchai Jongsirilerd	Member of the Nomination and Remuneration Committee
3	Mr. Thawatchai Lipithorn	Member of the Nomination and Remuneration Committee

Note: With Ms.Wimol Saephung, Internal Audit Department Manager performs as Secretary to the Nomination and Remuneration Committee

◆ **Term of the Office of the Committee**

1.The Board of Directors appoints The Nomination and Remuneration Committee who will remain in office for a 3-year term and be eligible for reinstatement after the term has ended.

2. In the event that The Nomination and Remuneration Committee reaches their full term but the Board of Directors has not appointed a new Nomination and Remuneration Committee, the existing Committee members shall resume their duties until the new Committee members are appointed to replace the outgoing committee. Albeit, the appointment must take place within 3 months after the date the term has ended.

3 In the event that a position in The Nomination and Remuneration Committee becomes vacant before the end of a term, the Board may appoint a person who is qualified to take a position in the Committee. The replacement will take office up until the original term end of the person being replaced.

4. A Committee member will be removed from office in case of the following:
 - (A) The term has expired
 - (B) The member resigns
 - (C) The member dies
 - (D) The Board deems it fit the person be removed from office.
 - (E) The member is no longer a Director of the Company
5. The Nomination and Remuneration Committee may resign prior to the end of their term by notifying the Company at least 1 month in advance.

◆ The Scope and Responsibilities of the Committee

1. Set the qualifications for the positions on the Board of Directors and the positions of Managing Director and above.
2. Set the regulations and methods for the search and selection of the Board of Directors and the position of Managing Director and above.
3. Select and propose the Company's Director candidate in the event of completion and additional directors terms to the Board of Directors or Shareholder's Meeting for approval. For the positions of Managing Director, the Committee refers to the Board of Directors for appointment.
4. Set the regulations for the remuneration of the Board of Directors and the position of Managing Director.
5. Set the annual remuneration for the Board of Directors and sub committees to propose to the Company's Board of Directors for approval, and propose to the Shareholders' meeting for approval.
6. Allocate the annual bonus for the Board of Directors following the Shareholder's approval and report to the Board of Directors.
7. Evaluate the performance of the Managing Director to set up the annual remuneration and report to the Board of Directors.
8. Create a report of their performance and submit it to the Board of Directors at least once a year.
9. Review and revise the Committee's Charter and propose at least once a year it to the Board of Directors for approval.

◆ Executive Committees

The Company's Executive Committee comprises of 4 directors as follows

Rank	Name	Position
1	Mr. Sannpat Rattakham	Chairman of the Executive Committee
2	Mr. Thawatchai Lipithorn	Executive Director
3	Mr. Supachok Sirichantaradilok	Executive Director
4	Mr. Domdej Sripinproach	Executive Director

Note : With Ms.Wimol Saephung, Internal Audit Department Manager performs as Secretary to the Executive Committee

◆ Term of Office of Executive Directors

1. The Board of Directors shall consider to appoint the directors to be executive directors.

2. The Executive Committee appoint 1 executive director to be the Chairman of Executive Director.

3. The Executive Committee hold the position equal to the term of Company's director and term of Executive Director will be ended at the same time of director's position term according to the Annual General Meeting of Shareholders.

4. Directors whose term expires could be nominated as a director again which is not the automatically renewal.

5. The Chairman of the Executive Committee shall hold the position equal to the term of the Executive Committee.

6. In addition to vacation of office by expiration of term of office, executive directors could vacate the position by;

- Dead
- Resignation
- Lack of administrative qualifications as stated above
- The meeting of the Board of Directors vote to leave

7. Any executive directors who intend to resign shall submit a resignation letter to the Chairman of Executive Director. Resignation shall be effective from the date of the resignation letter reach the company or specify the date of resignation in advance in the approved resignation letter.

8. In the event that the Chairman of Executive Director resigns from office, the resignation letter shall be submitted to the Executive Committee Meeting. Resignation shall be effective from the date of the resignation letter reach the company or specify the date of resignation in advance in the approved resignation letter.

9. In the event that the executive position is vacant, Board of Directors shall elect any person who qualified as specified in the Board of Directors charter to be the Executive Director instead.

◆ **Terms of the reference and responsibilities of the Executive Committee**

The Executive Committee has the authorities, duties and responsibilities in overseeing the Company's normal operations and management, determining policies, business plans, budgets, management structure and the various management powers of the company, as well as the criteria in operating the business in light of the economic conditions, which will be submitted to the meeting of the Board of Directors for its consideration and approval and/or consent; together with inspection of and follow-up on the results of the Company's operations according to the specified policies. The main duties and responsibilities are as follows:

1. To operate and manage the Company's operations according to the objectives, regulations, policies, rules, requirements, orders and decisions of the Board of Directors and/or the decisions of the Shareholders' Meeting;

2. To consider the determining policies, directions and strategies of the Company's operations; determining financial budgetary plans, human resources management, investment, business expansion, public relations according to the framework approved by the Board of Directors; and supervise the performance of the appointed working group, ensuring that it meets the set goals;

3. To consider the annual budget allocation as proposed by the managing unit, prior to submission to the Board of Directors for consideration and approval, including consideration and approval of the modifications and additions of the annual expense budget while there is no meeting of the Board of Directors, and submit it to the Board of Directors for approval or confirmation at the next meeting;

4. To approve the purchasing of material as Company's normal business within 50 Million Baht (Fifty Million Baht only)

5. To approve the purchasing of equipment or permanent assets as Company's normal business within 20 Million Baht (Twenty Million Baht only)

6. To approve sale and services in normal business as Company's normal business such as merchandising approval, approval for service contract as normal business within 150 Million Baht (One Hundred and Fifty Million Baht only)

7. To approve the opening/closing of all types of deposit accounts with banks or financial institutions, and determine the conditions for money withdrawal or legal transactions of that deposit account;

8. To approve a decision to get a loan or line of credit, to issue debt securities, to get an overdraft or other type of loan from a bank or financial institution or ordinary person, in the course of normal business, within the 50 Million Baht limit (Fifty Million Baht only), including asking the bank to issue a letter of guarantee for the benefit of the Company's operations, within the 150 Million Baht limit (One Hundred and Fifty Million Baht only);

9. To approve the mortgages and pledges of the Company's asset to secure all existing and future Company's liabilities within 50 Million Baht (Fifty Million Baht only)

10. To approve a decision to buy and sell investment units, open-end government bonds fund or money market fund by submission to the Board of Directors for their information in the next meeting;

11. To approve payment for any major investment stipulated in the annual expense budget, as authorized by the Board of Directors or approved by the Board of Directors in principle;

12. To act as advisory committee for the management unit on policies concerning finance, marketing, personnel management and other operations;

13. To determine the organizational structure and organizational management power, including appointment, hiring, dismissal, transfer, determining wages, remunerations and bonuses for employees and executives;

14. To have the power to authorize one or several members of the Executive Committee or other persons to perform certain acts, by being under the supervision of the Executive Committee; or to authorize such persons to have specific authorities within the period that the Executive Committee deems appropriate, of which the Executive Committee may annul, revoke, modify or change the designation or the scope of authorization as it deems appropriate; In this regard, the authorization must not be in the manner of authorization to persons involved or having interest or any conflict of interest with the Company or the subsidiary company.

15. To approve the investment in stock or investing in other companies within 5 Million Baht (Five Million Baht only)

16. To approve for subsidiary company loan within 5 Million Baht (Five Million Baht only)

17. To perform other functions as assigned on a case-by-case basis by the Board of Directors.

18. To manage and promote a supportive system for anti corruption policy to be able to communicate to all relevant units, and consider and revise the systems and procedures to be in line with the business, laws and regulations.

19. The Executive Committee can not consider and approve the transactions that the Executive Committee has interests or having a conflict of interest with the Company or the subsidiary company, except the approval of transactions which are in accordance with the policies and criteria set forth by the Board of Director or the shareholders' meeting has considered and approved and also according to the laws.

20. To evaluate the performance of the Managing Director and determine the Managing Director's remuneration to propose the Nominating Committee Meeting.

21. To review the charter of the Executive Committee at least one time per year.

◆ **Terms of Reference and Responsibilities of the Chairman of the Executive Board**

1. Supervise and provide consultancy to the Managing Director as regards the Company's management to be in alignment with the Company's policy.

2. Be an authorized person of the Company to ensure that the Company's business management is carried out in line with the objectives, regulations, policy, rules and orders, resolution of the meeting of shareholders and/or the Board of Directors and/or Executive Directors of the Company.

3. Approve of the payment for the usual procurement of the Company whereby the purchasing of raw materials within the budget per item not exceeding 30 Million Baht (Thirty Million Baht), and the purchasing of tools and equipment or fixed asset used in the operation within the budget per item of not more than 10 Million Baht (Ten Million Baht)

4. Approve the selling and the Company's usual service provision such as the approval of selling products, and the approval to make work contract within the budget per item not exceeding 100 Million Baht (One Hundred Million Baht)

5. Have the power to sub-authorize and/or appoint others to perform specific tasks. Such sub-authorization or appointment shall fall under the scope of authorization and/or regulations and rules or orders specified by the Board or Company and/or the Company.

6. Have the authority to approve the loan requested by subsidiaries within the financial amount not exceeding 2 Million Baht (Two Million Baht).

7. Consider allocating retirement pay, rewards or other remunerations to staff at the level of department manager or higher, or the Company's employees or any individual carrying out business on behalf of the Company.

8. Be authorized to or sub-authorize on behalf of the juristic person engineering certification unit on the part of the boiler or steam boiler using fluid as heat medium that the Company has registered with the Department of Industrial Works.

9. Have authority or sub-authorize on behalf of the Company to apply for and renew licenses, approve a report on test results, submit such report, arrange to meet with a government officer from the Department of Industrial Works and the Department of Energy Business.

10. Have authority or sub-authorize on behalf of the Company to apply for and renew licenses, approve and sign papers, arrange to meet with a government officer from the Thailand Council of Engineers.

11. Have authority to perform any act relevant to the above-mentioned duties until completion.

12. Have authority to sign to certify a copy of documents relevant to such tasks until completion.

13. Have authority to approve expenditure, part of which is beyond the approval authority of the Managing Director. Such approval authority shall not exceed that of the Executive Directors.

14. Perform other duties as assigned by the Company's Board of Directors/Executive Committee at time.

◆ Terms of Reference and Responsibilities of the Managing Director

1. To supervise operations and manage the daily work of the Company in line with the Company's policy, as well as approving matters regarding the normal operations of the Company and/or authorize the executives or any individual to proceed with tasks as regards the Company's daily business activities, and to perform a specific duty under the supervision of the Managing Director, within the time the Managing Director deems appropriate. The Managing Director is entitled to revoke, withdraw, change or amend such authority.

2. To act as an authorized person of the Company in managing the Company's business to fully comply with the objectives, rules, policies, regulations, rules, orders, resolutions of the meetings of shareholders and/or the Board of Directors and/or the Executive Committee.

3. To proceed with a task in line with the policy, work plan and budget approved by the Executive Committee and/or the Board of Directors of the Company.

4. To approve payments of the Company's purchases for its normal course of business, with the purchase budget of raw materials per item not exceeding 10 Million Baht (Ten Million Baht), and the purchase of tools, equipment or fixed asset used in the operation within the budget per item not exceeding 5 Million Baht (Five Million Baht).

5. To approve normal business sales and service provisions such as approving the sale of merchandise and the hire contracts as part of the normal business operation within a 50 Million Baht budget per item (Fifty Million Baht)

6. Have authority to consider the employment of staff, recruit and appoint, as well as transferring across work field/division/department or remove from the staff position. To set the employment rate, remuneration, bonus as well as welfare related to all staff of the Company.

7. Be authorized to grant sub-authorization and/or appoint other persons to carry out specific tasks on his behalf. Such sub-authorization and/or appointment shall fall within the scope of authorization and/or be in accordance with the rules and regulations, and orders as stipulated by the Board of Directors and/or the Company.

8. To follow up and evaluate the operating results of the Company on a regular basis so as to prevent any risk caused by several factors, whether it be within or outside the Company.

9. Have the authority to make a contract related to the Company's normal operations, and other contracts beneficial to the Company's business.

10. To consider the allocation of retirement pay, rewards or other remunerations for staff or the Company's employees or any individual undertaking business on behalf of the Company.

11. Have the authority to issue orders, regulations, announcements, and memorandum to ensure work operations are aligned with the policy and benefits of the Company, and to maintain discipline

and work performance within the organization.

12. Have the authority to, or sub-authorize on behalf of the juristic-person engineering certification unit on the part of boiler or steam boiler using fluid as heat medium that the Company has registered with the Department of Industrial Works.

13. Have the authority or sub-authorize on behalf of the Company to apply for and renew licenses, approve a report on test results, submit such report, and arrange to meet with a government officer from the Department of Industrial Works and the Department of Energy Business.

14. Have the authority or sub-authorize on behalf of the Company to apply for and renew licenses, approve and sign documents, and arrange to meet with the government officer from Thailand Council of Engineers.

15. Have the authority or sub-authorize on behalf of the Company to prosecute a legal case relevant to the Company's business operations.

16. Have the authority to carry out any act as related to the above-mentioned tasks until completion.

17. Have the authority to sign to certify copies of the documents relevant to the above-mentioned tasks.

18. Have the authority or sub-authority on behalf of the Company to request a form from the Revenue Department and other official documents relevant to the Company.

19. Have the authority or sub-authority to sign the quotation, guarantee of qualification to carry out transaction with the Company, and certify the copy of documents

related to the envelop submission and other operations related to such matter. Have the authority to negotiate price on full behalf of the authorizer, as well as to submit and sign a request form, explain the defense, adjust or add in a contract or act in other matters related to such authorization. The authorizer shall regard all of these acts as his own.

20. To perform other duties as assigned by the Board of Directors/the Executive Committee at the time.

◆ **Selection Process for Executives from Managing Director Level and Above**

The Company has formed the Nomination and Remuneration Committee to consider and propose policies relating to the Directors, members of each committee and Executives from Managing Director Level and above. The search and nomination is based on qualifications, skills, experience and ability to contribute to the Company. The Shareholders then vote to appoint the Director by majority in accordance with the following criteria:

1. A Shareholder shall have the number of votes corresponding to the number of shares that he holds (one share, one vote);

2. In the process of selecting the Company's Directors, votes may be given to nominees individually or to several nominees at the same time, as the Shareholders' Meeting deems appropriate. In any voting, each Shareholder shall have the voting rights as stipulated in item 1 above; however, the number of votes of the Shareholder, no matter how many votes he/she has, shall be indivisible;

3. Majority rule shall be used in the selection of Directors. If there is a tie, the Chairman of the meeting shall have an additional vote as the casting vote.

◆ **Remuneration of Directors and Executives**

(1) Monetary remuneration

Remuneration of Directors

The 2020 General Meeting of Shareholders on the 15th July 2020 set the remuneration for the Company's Directors, Audit Committee, The Nomination and Remuneration Committee, and Executive Directors who are not regular officers in the form of the Meeting Attendance Fee and monthly salary with the details as follows

Position	Meeting
Board of Director Chairman Director	16,500 Baht/per time 11,000 Baht/per time
Audit Committee Chairman of the Audit Committee Member of the Audit Committee	13,200 Baht/per time 11,000 Baht/per time
The nomination and remuneration committee Chairman of The nomination and remuneration committee Member of The nomination and remuneration committee	13,200 Baht/per time 11,000 Baht/per time
The Pension of Directors	Not exceeding 5 Million Baht
Remuneration of the Executive Director who are not employees	Not exceeding 4 Million Baht

Remark : Set the meeting allowance is paid on per-time. Only at the time of attending the meeting

◆ Attendance of the Meeting of Board of Directors in 2020

No.	Name of the Board of Directors	Board of Directors (number of times)	Audit Committee (number of times)	nomination and remuneration committee (number of times)
1	Mr. Sannpat Rattakham	7/7	-	-
2	Mr. Somyos Chiamchirungkorn	7/7	4/4	1/1
3	Mr. Tinakorn Seedasomboon	6/7	4/4	-
4	Mr. Somchai Jongsirilerd	7/7	4/4	1/1
5	Mr. Somchaan Lubtikultham	7/7	-	-
6	Mr. Thawatchai Lipithorn	7/7	-	1/1
7	Mr. Supachok Sirichantaradilok	7/7	-	-
8	Mr. Domdej Sripinproach	7/7	-	-
9	Mrs. Maneerat Rattakham ¹	5/5	-	-
10	Mr. Komjak Rattakham ²	2/2	-	-

Remark : ¹Mrs. Maneerat Rattakham has completed the term position as a Director on 15 July 2020

²Mr. Komjak Rattakham was appointed a Director according to the resolution of the Annual General Shareholder's Meeting on 15 July 2020

◆ Directors' Remunerations in 2020

No.	Name of the Board of	Meeting allowances	Pension	Total compensation
1	Mr. Sannpat Rattakham	115,500.00	186,809.81	302,309.81
2	Mr. Somyos Chiamchirungkorn	143,000.00	231,288.34	374,288.34
3	Mr. Tinakorn Seedasomboon	110,000.00	177,914.11	287,914.11
4	Mr. Somchai Jongsirilerd	132,000.00	213,496.93	345,496.93
5	Mr. Somchaan Lubtikultham	77,000.00	124,539.88	201,539.88
6	Mr. Thawatchai Lipithorn	88,000.00	142,331.29	230,331.29
7	Mr. Supachok Sirichantaradilok	77,000.00	124,539.88	201,539.88
8	Mr. Domdej Sripinproach	77,000.00	124,539.88	201,539.88
9	Mrs. Maneerat Rattakham	55,000.00	88,957.06	143,957.06
10	Mr. Komjak Rattakham	22,000.00	35,582.82	57,582.82
	Total	896,500.00	1,450,000.00	2,346,500.00

◆ Directorial remuneration summary for 2019 and 2020

Remuneration	2020		2019	
	Person	Baht	Person	Baht
Meeting allowances	10	896,500.00	10	803,000.00
Pension	10	1,450,000.00	10	2,190,000.00
Total		2,346,500.00		2,993,000.00

◆ Remunerations of the Executives

Ten executives at the level of manager of a division or at a more senior level received remunerations, i.e. salary and bonus, from the Company totaling 20,251,522.50 Baht in 2020

(2) Other Remunerations

The Company set up a provident fund for its staff. Conditions for contribution to the fund are as follows:

Duration of work	Duration of work
From 1 year but less than 5 years	3.00
From 5 years but less than 10 years	6.00
From 10 years onwards	9.00

◆ Personnel

The number of personnel as of 31 December 2020 in the Company and Subsidiaries was 496 people as shown below.

Institute	Number of Personnel	
	2020	2019
1. Executive Department	8	7
2. Operation Department	382	420
3. Support Department	106	108
Total	496	535



◆ Employee Returns

Employees of the Company and Subsidiaries receive return in cash and non-cash forms such as salary, annual bonus, OT, allowance, active payment and other welfare benefits in the form of cash. Essential non-cash returns include provident funds, loan funds for employees, social security, group life and health insurance, annual medical checkups, contributions, uniforms, employee shuttles, and educational subsidies for employee's children. Moreover, the company also supports the expenses of training as well as seminars for both internal and external training.



Corporate Governance

Corporate Governance

Qualitech Public Company Limited is well aware of the importance of compliance with the principle of good corporate governance in the operation of its business. Thus, the Board of Directors has implemented its policy for the Directors of the Company to comply with the principles and best practices in line with the Code of Best Practices for Directors of a Listed Company in accordance with the guidelines of the Stock Exchange of Thailand. In this regard, practicality is taken into account during the formulation of any relevant provision.

Apply the Principle of Good Corporate Governance for Listed Companies

The Company has implemented Good Corporate Governance in developing guidelines for policies as regards the rights and equality of the shareholders and stakeholders, structures, roles and duties, responsibility and independence of directors, disclosure of information and transparency, risk control and management, as well as business ethics to ensure the efficiency and transparency the Company's business administration and coporation. In the Board of Directors Meeting No. 1/2020 on February 1, 2020, the Company reviewed the corporate governance policy in accordance with the principle of the Corporate Governance Code for Listed Companies 2017 (CG Code) regulated by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company's Board of Directors considered adapting the principles of CG Code in the business context of the Company for appropriateness and practicality, which has been approved and promulgated since February 1, 2020. The principles cover six categories

Chapter 1 Shareholders' Rights

The Company is aware of and places as high priority Shareholders' rights by not acting in any way to violate or deprive them of such rights and by supporting the Shareholders in exercising them. The basic rights of the Shareholders consist of purchasing, selling or transferring of share, receiving profits from the Company, receiving sufficient information and data of the Company, participating in meetings, including voting in the Shareholders' Meeting to remove a Director, appointing an auditor, and participating in any matter that affects the Company, such as the allocation of dividends, formulation or amendment of articles of association and memorandum of association, capital reduction or capitalisation, and the approval of any special programmes.

In this regard, the Company performs the following actions to promote and facilitate the exercising of the Shareholders' rights:

- The Company stipulates that an Annual General Meeting be held once a year within no more than 4 months after the end dates of the Company's accounting year so that Shareholders can participate in monitoring and inspecting the operation report of the Company in the previous year.

- The Company prepares complete meeting documents for the voting support of Shareholders by revealing information to Shareholders in advance through the information reporting system of the Stock Exchange of Thailand and on the Company's website.

- The Company assigns the Thailand Securities Deposit Company Limited which is the security registrar of the Company, to deliver an invitation letter to the meeting with details attached relating to the agenda items at least 14 days before the meeting date, in addition to publicizing the invitation letter to the Shareholder's Meeting with details on the Company's website before sending out the invitation letter and advertising in the newspaper for 3 consecutive days to make shareholders aware.

- The Company facilitates shareholders who desire to receive a copy of the annual report through contact via channels such as email, telephone, fax and return envelopes that the Company sends out by post immediately upon request. This is in addition to copies being prepared for the Shareholders in attendance at the meeting.

- The Company must not add any additional agenda items without prior notice to the Shareholders or deprive them of their right to express their opinions and questions before making such decisions.

- During each Shareholders' Meeting, the Chairman of the meeting shall inform the attendees the relevant rules concerning the procedure of the meeting, including those related to the voting and allocation of sufficient time for the meeting.

- The Directors of the Company have to attend the Shareholders' Meeting, answer the questions clearly and directly. In addition, the Accounting and Finance Division Manager jointly answers questions related to financial statements.

- Shareholders are allowed to submit questions or suggestions prior to the meeting as well as to express their opinions and file questions prior to the meeting. The relevant Directors and executives shall attend the Shareholders' Meeting to answer the questions before the meeting.

- Where a Shareholder cannot attend the meeting, the Company allows the Shareholder to authorize an independent director or any person to attend the meeting as a proxy;

- The Company will record any important issues or opinions in the report of the meeting as reference for the Shareholders.

Chapter 2 Equal Treatment of Shareholders

The Company shall treat each Shareholder, whether he/she is an executive, non-executive, foreign or minority Shareholder, equally and fairly. The principles of such treatment are as follows:

- The Company entitles the Shareholders of the Company to trade the securities they are holding freely.
- The Company entitles Shareholders to accept the share certificate and right of transfer.
- The Company provides the Shareholders the right to vote equally.
- The Company entitles Shareholders to receive sufficient and punctual information in forms suitable for decision-making.
- The Company provides the opportunity to minor Shareholders to nominate a person to a position on a committee in advance and at an appropriate time.
- The Company entitles Shareholders to appoint and demote the committee.
- The Company entitles Shareholders to agree with the auditor appointment and audit fee specifications.
- The Company entitles Shareholders to receive profit share from the Company in the form of dividends.
- The Company has attached the proxy form (Form B.) with the Invitation to the Annual General Meeting of Shareholders, which is intended for Shareholders unable to attend to follow the voting directions, by giving the right to attend and vote to independent directors or another individual.
- The Company provides the Shareholders with the right to propose agenda items for the meeting and candidates for the director election prior to the Annual General Meeting of Shareholders.
- The Board of Directors shall not include any additional agenda items for the meeting, without advance notice to the Shareholders, particularly those important agenda items that require time for the Shareholders to study the information before making a decision.
- The Company does not permit the use of the Company's data. Any agency holding the Company's data is forbidden from disclosing such data to any unrelated agency or person. Disclosure or use of the data by the staff or executives for the benefit of their own or of other related persons is considered as a serious wrongdoing and shall be subject to disciplinary punishment. In addition, the Company has a policy and method to scrutinise Directors and Executives who use the data which is not yet disclosed to the public for their own benefit in buying or selling securities as stipulated in the topic: Supervision on the Use of Internal Data.
- Directors and Executives of the Company who are Shareholders shall disclose data relating to their own interests for each agenda item so that the Shareholders' Meeting will be able to consider any transactions in which a conflict of interest may arise and to decide for

the benefit of the Company as a whole. The Directors and Executives who have such personal interests shall not be permitted to vote on the relevant agenda item at the meeting. The Company will compile the agenda item information and publish it on the Company's website at www.qualitechplc.com (click : investors relations > shareholder information > shareholders' meeting invitation letter) 30 days prior to the meeting so that Shareholders have sufficient time to study the information well in advance.

Chapter 3 The Role of Stakeholders

The Company places importance on the rights of every group of stakeholders and has a policy to treat each important group as follows :

Shareholders : The Company is committed to operating its business to the best of its ability by using knowledge and management skills and by upholding the values of honesty and fairness for the benefit of all Shareholders as a whole, as well as by regularly disclosing complete and accurate data.

Staff : The Company provides fair remunerations to the staffs whom are the crucial factor behind the Company's success. Thus, the Company emphasises fair treatment both in terms of career opportunity and compensation by using the Key Performance Index (KPI) as a measurement, maintains a working environment that is safe for life and property, places importance on the capacity building of the staff thoroughly and on a regular basis, strictly complies with laws and regulations relating to the staff, including omitting any act that is unfair and that may affect the employment security of the staff, as well as treating members of staff politely and respecting their human dignity.

Customers : The Company is committed to delivering products and services with quality, meeting standards, and at reasonable price to strictly and regularly ensure client confidentiality, to continuously seek out business opportunities to benefit clients and to strictly honour the conditions agreed with the clients.

Traders and Creditors : The Company shall not commit any fraud in dealing with traders or creditors and is committed to strictly complying with the conditions agreed with the creditors, whether they are related to the purpose of payment, reimbursement, securities, guarantees, business negotiations and other matters that it has agreed with the creditors for their common interests.

Competitors : The Company shall comply with the rules of fair competition, shall not illegally and inappropriately seek data in the form of competitors' trade secrets and shall not defame its trade competitors by maliciously making any false claims.

Public Society : The Company will not take any actions that cause damage to society and will foster social responsibility among employees at every level continually and seriously along with practices or controls against any serious action according to the law and regulations issued by governance institutes including seeking opportunities to support creative activities within the community.

Environment : The Company will not take any actions negatively impacting natural resources and the environment and support employees at every level to recognise the importance of utilizing resources effectively with all employees and the relevant parties being able to participate in environmental stewardship.

Complaints or comments can be made to the Company through the following channels :

- Website: <http://www.qualitechplc.com>
 - E-mail: info@qualitechplc.com
 - Tel : (+66) 3869-1408-10 Fax : (+66) 3869-2028
 - Mail to :
 1. Mr. Taywan Cheunthong, Acting Human Resource Division Manager
 2. Ms. Wimol Saephung, Audit Committee Secretary
- Qualitech Plc. 21/3 Banplong Road, Maptaphut, Muang, Rayong 21150.

The Company follows up/evaluates after receiving the complaints and notifies the relevant party as soon as possible.

Employees can complain or make suggestions to the Operation Committee via the internal email of the Company.

Chapter 4 Disclosure of Data and Transparency

The Company places importance on the disclosure of accurate, complete, and transparent data in a timely manner which meets the standards in accordance with the criteria provided by the Stock Exchange of Thailand, such as Annual Registration Statement (from 56-1) and Annual Report (from 56-2), together with financial reports and general data, as well as other important data that may affect value of securities or procedures of decision making by the Company's investors and stakeholders. This is to ensure that those related to the Company receive data

fairly and equally. In this regard, the Company has publicized the data through the Stock Exchange of Thailand and the website: www.qualitechplc.com.

The Board of Directors is aware of its responsibility to financial reporting that is accurate, complete, true and reasonable. The Company's budget is determined in accordance with certified accounting standards, with a suitable accounting policy. The record of accounting data must be accurate, complete and sufficient in order to help keep an up-to-date record of the assets and to acknowledge any weak points which will then prevent material fraud or irregularities. The Company always adheres to this practice, including sufficiently disclosing important data as appears in the remarks of the budget. Furthermore, the Board of Directors also appoints the audit committee to examine the financial report, check against the list and inspect the internal audit system. In this regard, the audit committee will report on the results of the examinations to the Board of Directors at every Board meeting. At all events, the report of the Board of Directors, the Audit Committee and the Auditors, along with the Directors' name list, duties and responsibilities, and tenure are disclosed in the Annual Report.

As regards investor relations, the Company is yet to establish a unit responsible for investor relations; however, it has entrusted Managing Director and Accounting and Finance Department Manager to contact Shareholders, analysts and other relevant individuals.

Chapter 5 Responsibilities of the Board of Directors

Board of Directors as the supreme leader of the organization realize the important of the roles, duties and responsibilities as a leader for the good management, conduct business ethically, responsible to stakeholders and build long-term business value with guidelines as following:

(1) Set the objectives, main goal of the organization together with the management department and determine the strategy for sustainable growth to achieve the target.

(2) Supervise and follow up on performance compare with target. Then report to the Board of Directors meeting for acknowledgment on a quarterly basis to evaluate and improve the performance according to the current situation appropriately.

(3) Prepare the Charter of the Board of Directors that specify the duties and responsibilities of the committee to be used as a guideline for all directors by determine the supervisory committee to ensure the management is being on targets and lead to the best interests to the shareholders under the good ethics, including the compliance with laws, regulations, resolutions of the shareholders' meeting and the guidelines set forth, along with the approval authority of the Board of Directors on various matters as specified.

Structure of the Board of Directors

The Board of Directors consists of Directors who are knowledgeable, competent and have experiences in business benefiting the Company and without any record of failure to abide by The Securities and Exchange Commission regulations. The Board of Directors is appointed by the Shareholders' Meeting comprising no less than 7 Directors, whereas the number on the Auditing Committee must be at least one-third of the Board with at least one with sufficient knowledge in accounting to review the reliability of the financial statement. The Company requires that at least 1 out of 3 of all the Directors, with no less than 3 in total, be independent directors, acting on behalf of minority Shareholders in examining and keeping the balance of the business management of the Company to ensure soundness, fairness and maximum benefit for the Shareholders.

The Board of Directors has clearly stated the scope of the operation authority, duties and responsibilities of each sub-committee in the charter of various sub-committees. The chairman of every sub-committee shall be responsible for overseeing the operations in accordance with the policy of the Board of Directors and reporting the performance to the Board of Directors continuously.

Subcommittees

The Board of Directors has appointed 3 sub-committees who have appropriate knowledge and expertise to perform their duties as specific committees to assist in corporate governance. Each of sub-committee will report their performance to the the Board of Directors' meeting for acknowledgement by quarterly and reports on their duties in the past year to shareholders which shall be shown in Form 56-1 and Annual Report.

- The Executive Committee, comprising no less than 3 persons, responsible for facilitating management, with the terms of reference mandated by the Board of Directors

- The Audit Committee, not less than 3 persons, responsible for examining financial reports, comprising cross-transactions and an internal control system and assisting in supervising the operations of the Company, with the terms of reference mandated by the Board of Directors. Every member of the Committee shall possess the qualifications as stipulated by the Security and Exchange Law or by the rules, notifications, orders or regulations of the Security and Exchange Commission.

- The Nomination and Remuneration Committee must consist of no less than 3 persons, comprising at least 2 independent directors. The Chair for The Nomination and Remuneration Committee must be an independent director who shall perform the task of nomination and remuneration for the Board of Directors and Executives from the Managing Director level and above.

Currently, Qualitech Public Company limited has not appointed a Corporate Governance Committee as a subcommittee and it is the duty of the Company's committee to supervise works in accordance with the good practices of an authorized company to cover the regulations of each section by assigning the administration department to manage work strictly adhering to the policy of the corporate governance of the Company.

However, in the future, the Company may establish other committees responsible for the mandated tasks, assisting the Board of Directors in management work.

Secretary to The Board of Directors and Company Secretary

The Board of Directors has appointed Mr. Komjak Rattakham as the Company Secretary with the authority and duty to comply with the regulations and announcements of the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as the Securities and Exchange Act (No. 4) BE 2551. To perform duties with responsibility, caution and honesty, coordinating between the Board of Directors and the management, oversee and coordinate with relevant laws and regulations, encourage the implementation of Good Corporate Governance principles, including monitoring the performance according to the resolution of the Board of Directors and shareholders' meeting along with the responsibilities for preparing and storing documents as required by law and other tasks as assigned by the Board of Director. The qualifications and experiences of Company Secretary has been disclosed and in the report 56-1.

Roles, Duties and Responsibilities of Directors

The Board of Directors is responsible for setting the policy, vision, strategy, aim, mission, business plan and budget of the Company. It also supervises management to be in line with the policy, efficiently and effectively as by law, the objectives and the articles of association of the Company as well as the decisions of the Shareholders' Meeting. The Board of Directors has designated the guidelines for the following matters:

(1) Policy for Corporate Governance

The Board of Directors has had its policy for corporate governance put in writing. The policy shall regularly undergo any needed revision and implementation at least once a year.

(2) Practices regarding No Piracy

The Company operates by not infringing the intellectual property or copyright of other persons or parties by specifying and disseminating the following guidelines:

- Work from operations belongs to the intellectual property of the Company.
- Employees shall use only computer software authorized by the Company to prevent any intellectual property violations.

- Work or data that belongs to an external party to be used by the Company shall be inspected to ensure that it is not in violation of the intellectual property of any other party.
- Employees shall not bring or take part in or perceive matters contrary to law that are deemed intellectual property infringement as stipulated in the Copyright Act B.E. 2537 or other relevant laws to be used in the course of business of the Company.

(3) Business ethics

The Company provides codes of conduct relating to business ethics for the Board of Directors, Audit Committee and practitioners in each unit. The principal issues relate to company confidentiality, acting in good faith and in accordance with the law, respecting each other's rights and looking after the resources both within the Company and the external environment. The emphasis on business ethics will contribute to working in good faith. It will also help internal supervision be more efficient, further raise credibility in the capital market and build confidence for investors.

(4) Policy relating to conflict of interests

The Company has set policy relating to the conflict of interests on the basis that every member of staff shall perform their duty for the maximum benefit of the Company only. Any act or decision shall be without influence of personal desire whether coming from family or relatives or other individuals known on a personal level. The policy covers 2 issues :

Related transactions: The Company carefully considers the suitability of every related transaction before taking action, including the price determination and conditions of the related transaction, as if it was dealing on an arm's length basis. The Audit Committee considers the necessity and reasonableness of the transaction. When the Company or affiliated companies conclude the related transaction and if the transaction in question is stipulated in the "Notification of the Security and Exchange Commission of Thailand Re: Disclosure of Information and Other Acts Listed Companies Concerning the Connected transactions 2003", the Company shall comply with the criteria, conditions and methods of that Notification, including disclosure of the transaction in the annual report and the annual data form for the transaction (form 56-1). This results in the greater transparency in concluding related transactions and eliminating any problems arising out of the conflict of interests and other situations that result in a conflict of interests.

Other Situations Resulting in a Conflict of Interests

1. In general investment, the Company does not permit personnel who are Shareholders or derive benefit from competitor companies or traders having business with the Company to engage in decision making relating to business matters with such businesses except where the Board of Directors has approved otherwise.

2. In receiving gifts, personnel at every level should not receive gifts, travel tickets, sporting event tickets, recreation proposals, accommodation or other personal proposals if such an act will lead to commitments for the Company or cause the Company to lose any benefit.

3. In doing academic work, public services, being speakers or taking up any position, personnel at every level of the Company can request approval from the Director of their chain of work to work at academic institutions, to perform public services, to be speakers, or to take any position, such as that of the Company's Director, consultant, that will help expand the vision and gain further experience for the personnel. However, the personnel shall not engage the Company or use their position at the Company for such activities except where permitted to do so.

(5) Internal Audit and Risk Management

The Company has an internal audit system ensuring confidence among investors that the Company conducts business efficiently while also consolidating the credibility of the financial statement. The Company has an internal audit unit which evaluates risks and reviews the internal audit annually. Mrs. Wimol Saephung, an internal auditor of the Company, is secretary to the Audit Committee who, at least every 3 months, presents the results of the internal audit to the committee for its consideration.

The Company's Committee gives precedence to the risk management procedures of both internal and external risks that may affect the Company by assigning the Audit Committee to verify the effectiveness and sufficiency of risk management procedures and the internal control system by referring data from the operation assessment of the internal audit department.

The Meeting of the Board of Directors

The Board of Directors of the Company meets at least once every 3 months and may have additional meetings where necessary. The Board shall be presented with a report on work every month so that it can supervise, control and oversee the conduct of management continuously and promptly. A written invitation for the meeting is sent to the Directors for their consideration at least 7 days prior to the meeting except where it is necessary or urgent to protect the Company's rights or benefit. The Directors may request additional necessary detailed information from the Company Secretary.

The Chief Executive Officer and Managing Director will consider each agenda item and reach consensus by giving the opportunity to each Director to present any relevant views or pertinent information. For some agenda items, the Chief Executive Officer may attend the meeting to provide any necessary and additional information.

Remunerations

The Company has a policy to set the remunerations for the Directors, whereas The Nomination and Remuneration Committee shall set the remunerations for the Directors and Auditing Directors at a level so as to incentivise and retain quality and qualified Directors as required. Remunerations are set at a level comparable with that of the industry mean and relative to the results of the Company operations. However, The Nomination and Remuneration Committee shall report to the Board of Directors for their consideration. The Shareholders' Meeting approves the remunerations of the Directors annually.

For the remunerations of the Director and above, The Nomination and Remuneration Committee shall consider the remuneration as fits the terms of reference in accordance with the criteria and policy set by the Board of Directors for the maximum benefit of the Company. The level of the remunerations, being salary, bonus and long-term incentives are relative to the results of the Company and the individual performance of executives.

The Professional Development of the Directors of the Company

The Board of Directors supports and facilitates the training and education of those in the Company's supervision system, such as the Directors of the Company, Auditing Directors and Executives, for continuous professional development. Such training and education may be conducted within the Company or by other institutions.

Every time when a new Director takes his post, the secretary of the Company shall arrange for documentation with useful data on the performance of the new Director, and introduce the nature of the business and the trends in operations to the new Director.

◆ Training / Seminar of the Company's Directors in 2020

No	Course	Date	Institute	Name of the Board of Directors
1	Director Accreditation Program (DAP)	15 Sep 2020	Thai Institute of Directors (IOD)	Mr. Komjak Rattakham

Chapter 6 Anti-Corruption Policy

Anti-Corruption Policy

The Company operates business by employing its competitive strategy fairly, transparently and by upholding the high quality of service and always working in strict adherence to the relevant laws under the business values of "Reliability, Safety, Agility, Customer Focus and Quality". Therefore, the Company recognises the importance and determination of every form of anti-corruption and the Company's committee stipulates anti-corruption policy to

declare the intentions of the Company so as to insist on a position against corruption and have a target for every employee in the organization along with the relevant parties to understand the anti-corruption principles under the same policy. The Company was certified by Thailand's Private Sector Collective Action against Corruption (CAC) on 22 July 2016.

Anti-corruption policy specifies that the committees, executives and employees of the Company, subsidiaries and joint ventures along with other enterprises that have the power of regulation including individuals relevant to the business's operation strictly abide by the policy. Nevertheless, the Board of Directors revises the anti-corruption policy every year, and this policy is disclosed to the public on the Company's website at www.qualitechplc.com (Investor Relations> Anti-Corruption Policy) In 2020, the company has passed the certification for membership renewal of Thailand's Private Sector Collective Action against Corruption (CAC) and received a certificate.

Supervision of the Use of Internal Data

The Company has the policy and method of scrutinising the Directors and Executives who use the data not yet disclosed to the public for their own benefit in buying or selling securities as follows:

1. Educating the Directors, including the Executives on their duty to report the holding of securities by themselves, their spouse and children under legal age, in accordance with Section 59 and the punishment provision, Section 275 of the Security and Exchange Act 2016 (issue 5);
2. The Company required the manager, the next four management levels of personnel under the manager and equivalent personnel, as well as the accounting and finance department manager or above to comply with the Security and Exchange Act 2008 (issue4) so that the Company is able to scrutinise the buying and selling of all the Executives;
3. The Company shall circulate a written notification to the Executives stating that executives who are informed of important internal data which will influence change in the value of securities shall cease any buying or selling of the securities of the Company within 1 month prior to the disclosure of the budget or such information to the public. Furthermore, they shall not disclose such important data to other persons. Where it is found that personnel at the level of the Executive Committee use internal data in such a way that will cause damage to the Company or its Shareholders, the Board of Directors will consider measures for punishment as it deems appropriate. Where the individual who commits such an act is a less senior executive, the Executive Committee will consider the measures for punishment of such an individual.



Corporate Social Responsibility

Corporate Social Responsibility

Qualitech Public Company Limited is committed to undertaking business with good governance, with the intention of morally running the business accompanied by a focus on internal and external corporate social responsibilities. This is one of our strategies to ensure continuity in business development which covers the control and development of personnel, the running of the business equitably for every party, ongoing consideration of the safety and quality of our services, actions to develop the community, effective utilization of natural resources and also to maintain and raise awareness concerning environmental conservation.

Our Company fully acknowledges that we undertake business in engineering and safety inspection services by providing Non-Destructive Testing, Inspection and Certification services in compliance with international standards and law. It is our priority and responsibility to strictly follow the safety standard system in Thailand and overseas, as aligns with our Company value of “Reliability, Safety, Agility, Customer Focus and Quality.”

The Office of The Securities and Exchange Commission reports on the principles. In addition, our Company attempts to complete and revise Corporate Social Responsibilities contents on an annual basis.

(1) Run business equitably and against corruption

The Company is committed to dealing impartially with clients, trading partners and interested parties. To be fair to every party, we run business equitably and also stand against corruption. We’ve created the Company’s Code of Conduct which has been approved by the Board of Directors and is summarised below;

- The Company adheres to the rule of law in running business. The Board of Directors, Executives and employees shall understand the Company regulations and relevant laws including laws coming into effect which affect administrative management and working principles. The Board of Directors, Executives and employees shall work strictly under the Company’s regulations and relevant laws, in addition to avoiding any actions which may adversely affect the Company’s reputation.

- The Board of Directors, Executives and employees shall not seek competitors’ trade secrets or specific details by infringing on data privacy or breaking any agreement not to disclose clients’ details or other confidential information.

- The Company's details are open to all concerned parties under the law and the Company's regulations as well as clients' confidential details including the provision of sufficient details and actual supporting documents in accordance with The Office of The Securities and Exchange Commission for all Shareholders to be able to fairly evaluate our Company.

- In the case the Boards of Directors, Executives or employees do something involving the Company, the Company will act as though this action is between the Company and a third party that at lacks authority for approval.

- The Board of Directors, Executives or employees do not accept bribes in term of money, benefits or objects from business partners if it is perceived that the receivers have in mind a special relationship with givers that may cause harm to the Company or interested parties.

- The Board of Directors, Executives or employees shall work with honesty and without prejudice and not abuse their authority or responsibility in advancing their own benefit or that of others.

- The Board of Directors, Executives or employees shall fully support applications to protect its intellectual property in terms of patents, copyright and the Company's trademark, while also not infringing upon the intellectual property of competitors.

- The Board of Directors, Executives or employees shall maintain impartiality and not discriminate in terms of employment such as recruitment, reward and benefit consideration, job promotion, job transfer, work performance evaluation, job training, adherence to regulations, employee termination, recruitment and participation in community events.

(2) Respect human rights and labor practices

The Company emphasizes the impartial treatment of its employees. The Executives pay attention to all levels of employees no matter where they graduated from. Employees will receive equal opportunities as depends on the fairness of the reward system. Furthermore, the Company is willing to support the personnel development in their career path, encourage employees to express their opinions by providing an opinion box and also provide benefits, as well as annual recreation events to support the better quality of life among employees.

Employment

The working day and times for employees is divided into 2 categories as follows:

1. Working hours in the office from Monday to Saturday 08.00 AM.-05.00 PM.
2. Working hours on site depending on the client's agreement in accordance with Labor Law (1998) and all related laws.

The nature of conducting inspection services onsite, according to the client's wishes, is that it is difficult to specify the exact working dates and times. Therefore, the operator shall work in accordance with the clients' agreement. Due to the flexible working dates and times, the Company provides suitable work rewards for the operators.

For recruiting new employees, the Company considers education, qualification, experience and performance. Candidates shall pass a written examination, math examination, English test, computer skills test and also a face-to-face interview. Candidates who pass the examination shall work as trainees with a probation period of 119 working days, during which the candidates are assessed as to whether they have the potential and suitable qualifications for working in the given position or not.

◆ Rewards and benefits management

The Company has clear reward and benefit regulations for employees by specifying and constantly revising standing instructions. The Company has a payment policy for employees in terms of monthly salary, work rewards, direct position, overtime, and specific certification. This covers:

- Provident fund
- Life/health/accident insurance
- Social security
- Employee loan fund
- Employee subvention for marriage/childbirth/deceased relatives
- Scholarship for employees' children
- Uniforms
- Transportation
- Diligence
- Annual medical examinations
- Medical examinations before work
- Personal protective equipment
- Get well baskets

The Company has established the Employees' Welfare Committee in accordance with the regulations of the Ministry of Labour, which comprises both employer and employee representatives, to take responsibility regarding employee welfare.

◆ Personnel development

The Company is committed to developing personnel because they are a significant factor in driving the business toward achieving its goals and motivating the organization to achieve sustainable business development. As a result, the Company focuses on personnel development from the commencement of employment until retirement as detailed below :

- Arranges various orientations concerning basic company information, the Company's scope of work, working regulations, safety induction, anti-corruption, business morality and the Company's values.

- Organizes technical training such as technical training for best practices in operation such as Ultrasonic Test, Magnetic Particle Test, Penetrant Test, Visual Test, Eddy Current Test, Working in Confined Space and Basic Radiation Safety Prevention to develop operators' specific technical skills so as to perform their job appropriately and skilfully.

- Arrange supporting course for management's skill such as Lean Practition Training for Service Operation, Project Management, and Modern Executive Development Program.

- General Training for daily life such as Basic First Aid and Rescue, Basic Fire Fighting and safe driving technique.

- Encouraged employees to plan their career paths in 2020, establishing the Development Plan and Succession Plan as guidelines for the year 2021.

- Annually schedule a training plan with appropriate budgeting in advance for effective training. In 2020, the company organized internal training and delivered personnel to train with outside training institutions for 119 curriculums (In-House training 86 curriculums and Public training 33 curriculums) covering all employees in every department.

- Follow up on employees after training to ensure that they fully understand the content from the training course. Issue certificates and appoint re-certification periods.

◆ Occupational Health, Safety and Environment at Work

The Company recognizes importance of safety concerning the lives and occupational health of employees along with any other relevant matters; therefore, the Company stipulates universal standards in occupational and safety management as guidelines to construct and ensure a good environment for work.

The Company strictly adheres to the regulations by having the Committee of Safety, Occupational Health and Work Environment along with professional safety staff operate, control, and monitor situations of safety, occupational health and the work environment of the Company to correspond to policies and work plans including promoting employees to recognize the utmost importance of ensuring safety and complying with the policy of safety, occupational health and work environment in 2020 as follows :

- Making a preventive plan and risk reduction plan to face danger from operations or hazards in many areas in the Company along with improving the environment to be safe and checking equipment and tools.

- Promulgating knowledge, law and regulations regarding safety, occupational health and other relevant laws such as labor law, transportation law, regulations of the Ministry of Industry,

and so on, including informing of the amended law through e-mail and Company noticesboards so that employees can search for information as to beneficial to them to promote self-safety.

- Apart from basic knowledge on the occupational health management system and safety of every employee, the Company also regularly educates employees in the prevention of accidents through training, publications on notice boards and e-mail that supports not only safety at work but also safety in routine life such as driving safely and usage of work tools, etc. Setting up the safety committee of the Company by arranging a meeting to oversee safety policy with monthly follow-ups.

- Setting up the safety committee of the Company by arranging a meeting to oversee safety policy with monthly follow-ups.

◆ Human rights and employee parity

To respect and appreciate human rights is the foundation of personnel development. Human resources are key to improving production and the value added to sustain business development. The Company is consistently aware of human rights by treating employees equally, no matter race, nationality, gender, religion, income, disability, illness, in addition to respecting and accepting differences in thinking, society, environment, law and culture.

(3) Service responsibilities

The Company engages in the provision of Non-destructive testing, and Inspection and Certification services in accordance with international standards and regulations, with the aim to satisfy and ensure that clients receive quality services by following up with a satisfaction survey and continuouslyimproving services.

(4) Environment conservation

The Company fully supports environmental conservation during the working process such as adjusting the working process to use natural resources to their fullest and most efficiently. The Power Saving Project sets the turn off time for the air-conditioning before the working hours finish in order to save the electricity bill and be environmentally-friendly and than provides the areas for garbage bins to separate hazardous waste before entering the appropriate destruction process. The Company has been certified as the Green Industry Level 2 so as to be part of carrying out the service activity with trade partners to reduce the impact on the environment and providing training on environmental knowledge according to provision of ISO 14001: 2015 for employees.

(5) Community Interaction and Environmental Responsibility

The Company recognises the importance of its corporate social responsibilities and pays close attention to its effects upon the community by supporting and regularly participating in community events. Our employees are encouraged to participate in these activities.

◆ Over the previous year of 2020, the Company supported and attended the following social activities:

- Set up the scholarship project “Qualitech Education Fund - Model for Education” so as to offer progressive scholarships to primary students in Rayong.



- Provide training sessions at the enterprise for students from Thai-Austrian Technical College, Chon Buri, for Non-Destructive Testing Program so as to strengthen knowledge in learning and continue such knowledge in their internships.
- Allocate personnel experienced in technical areas to be guest speakers to impart knowledge and hands-on experience to teachers from technical colleges in the northeast.
- Provide an opportunity to students, university students and teachers to train and perform actual tasks so as to develop their knowledge and ability to adapt it in their profession.
- Carry out chemical disposal with a certified company to ensure a quality disposing process that does not cause environmental problems.
- The Company carried out a campaign to encourage staff to conserve the environment, save energy, and make worthwhile use of resources.
- Supported scholarships for children of staff.



- Supported Children Day activities for communities.
- Donate commodities to Camillian Social Centre, Rayong so as to help HIV and AIDS patients.
- Give computers to Baan Plong Community, Rayong for social work.
- Donate money to Phramongkutkiao Hospital Foundation, Bangkok to promote and support the work of doctors and nurses.

(6) Continuous development for a sustainable organization

Consistently abiding by good governance principles and corporate social responsibilities are at the very core of our organizational values and culture, and are of greater importance than only participating in the communities' events from time to time. The Company intends to develop business sustainably to ensure that interested persons gain mutual benefits both in the short-and long-term. Our clients and business partners grow together and also support the community and society sustainably. The Company still intends to support new innovations to carry on research and development. Additionally, the Company supports employees in expressing their ideas and creativity in term of value for the economy, society and the environment by continuously arranging various training courses in any related fields.



Internal Control

Internal Control

1. Sufficiency of Internal Control System

At the meeting of the Board of Directors of Qualitech Public Company Limited no. 3/2020 on 20 February 2021, the Board has evaluated the internal audit system by acquiring data insights from the management relating to the sufficiency of the internal audit system of the Company in the following 5 sectors: organisation and environment, risk management, control of performance by the management, information and communication system, and follow-up system. After having been evaluated, the Board found that the Company has a sufficient system in place for the internal audit of Major Shareholders, Directors, Executives or other individuals related to such persons. The Company's internal audit system also covers all 5 sectors appropriately and sufficiently to prevent the executives from using property inappropriately or without the authority to do so.

In addition, DIA International Audit Co., Ltd. Company's Auditor reviewed the internal control system for the year 2020 in which the auditor did not have material observations.

2. Policy on the Procedures of the Internal Audit

The Company set up an internal audit unit which is directly accountable to the Audit Committee on a quarterly basis in order to evaluate the potential, suitability and sufficiency of the current internal audit system, compliance with policy and relevant rules of practice as well as the suitability and credibility of the financial report of the Company. Internal auditors have examined the procedures of the work of the Company and provided remarks and advice to increase the potential of the work procedures. The Executives have placed importance on undertaking improvements according to the advice of the auditors within a reasonable time after such recommendations are made.



Related Transaction

Related Transaction

Details of possible conflicts about the connected transactions between the company and its subsidiaries with connected parties that occurred in 2020 appear below :

(1) Cross-Transaction of Qualitech Public Company limited

Related party	Relationship	Nature, condition and value	Necessity and Reasonability	Audit Committee's Opinion
QLT International Company Limited	Subsidiary company. The Company holds 99.99% of shares. Directors and Management are common shareholders.	<p><u>Incomes</u></p> <p>Wages, building and furniture rental, management fee, staff uniform</p> <p>2020: 0.39 Million Baht 2019 : 0.33 Million Baht</p> <p><u>Expenses</u></p> <p>Wages, Consumable</p> <p>2020: 1.56 Million Baht 2019: 4.61 Million Baht</p>	<p>Building and furniture rental was equivalent to the market price.</p> <p>Management fee was the ordinary operation fee and beneficial to the Company's operations.</p> <p>Consumables were purchased at a price equivalent to the market price.</p>	The Audit Committee considered such transaction to be across-transaction between the Company and the subsidiary of which the Company holds 99.99% of shares. Such a transaction is in line with normal trading and beneficial to the Company's operations

Related party	Relationship	Nature, condition and value	Necessity and Reasonability	Audit Committee's Opinion
Qualitech Myanmar Company Limited	Subsidiary company. The Company holds 80.00% of shares. Both companies have common Directors and Management.	<u>Incomes</u> Wages, Management fee, Equipment Rental 2020: 0.74 Million Baht 2019: 2.71 Million Baht	Wages were for employment. The rate was equivalent to the employment of other companies. Management fee was the ordinary operation fee and beneficial to the Company's operations.	The Audit Committee considered such transaction to be a cross-transaction between the Company and subsidiary of which the Company holds 80.00% of shares. Such transaction is in line with normal trading and beneficial to the Company's operations.
Duwell Intertrade Company Limited	Subsidiary company. The Company holds 99.99% of shares. Both companies have common Directors and Management.	<u>Incomes</u> Rental , Wages, Management fee, Material Rental 2020: 0.88 Million Baht 2019: 0.20 Million Baht <u>Expenses</u> Iridium cost, Consumable, Calibration cost 2020 : 5.90 Million Baht 2019 : 4.01 Million Baht <u>Loan</u> 2020 : 3.00 Million Baht** 2019 : 0.00 Million Baht <u>Interest Expense</u> 2020 : 0.09 Million Baht** 2019 : 0.00 Million Baht ** Remark : On December 25, 2020, Duwell Intertrade Company Limited has already paid the loan with interest to the Company	Building and furniture rental was equivalent to the market price. The rental period lasted from 1 Jan 2019 to 31 Dec 2020. The rental for Radiation transfer location was equivalent to the market price. The rental period lasted from 1 Jun 2020 to 31 Dec 2021. The purchase of Iridium 192 was transaction made with only licensed distributors. Consumables were purchased at a price equivalent to the market price The interest rate of loan for working capital in business was calculated by 5.50% per year. The calculation of Interest rates are based on the the interest rate of term loan (MLR) + 0.125% of Krungthai Bank Public Company Limited	The Audit Committee considered such transaction to be in line with normal trading and beneficial to the Company's operations.

1. Measures or Procedures for Approval of Related Party Transactions

In making transaction with a person who may have conflict of interest, the matter shall be proposed to the Company's Board of Directors for consideration and approval of such related party transaction for the utmost benefit of the business, as well as for the protection of investors and those related to the Company. Such related party transactions shall be undertaken in accordance with the law on stocks and the stock market, regulations, notification, order or the regulations of the Stock Exchange of Thailand. Those with conflict of interest or stakes in such transactions have no rights to participate in the approval of the related party transactions.

As for transactions in the normal course of business, such as buying and selling goods, the Company has a policy specifying the conditions of such transactions to be in accordance with normal business practice and at the market price comparable with the price of a third party. The Audit Committee shall consider and give opinions on such transactions on a quarterly basis. The reasonableness of the transactions will take into account the market price, conditions and any necessities that may affect the business, such as delivery time and specific qualification of goods, for the maximum benefit of the Company.

2. Future Trends in Related Party Transactions

As concerns the related party transactions in the future, the relevant conditions of the transactions shall be in accordance with normal business trading with reference to the appropriate market prices and conditions. The Audit Committee and/or independent directors shall give opinions relating to the rate of returns as well as the necessity and suitability of such transactions. If a transaction involves a person with a possible conflict of interest in the future, the Company will adhere to the regulations, notifications and/or the regulations of the Security and Exchange Commission and the Stock Exchange of Thailand and/or the Stock Exchange of Thailand. The Company may assign independent experts or company's auditors to provide opinions relating to such transactions for use in the decision making process of the Board of Directors or the shareholders depending on the case. In this regard, the group of companies will disclose the transactions among each other in the notes to the financial statement as examined by the Company's auditors.



Financial Status and Result of the Operation

Financial Status and Result of the Operation

◆ Qualitech Public Company Limited and Subsidiaries

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2018 to 2020

Unit : Thousand Baht

Result of the Operation	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Total Revenue	424,553.87	100.00	473,576.34	100.00	377,580.34	100.00
Sales and services income	421,512.31	99.29	470,165.42	99.28	365,309.16	96.75
Cost of sale and services	315,396.47	74.29	347,663.31	73.41	297,441.87	78.78
Gross profit	106,124.84	25.18*	122,502.11	26.06*	67,867.29	18.58*
Other income						
Gain on sale of segment	0.00	0.00	0.00	0.00	9,459.27	2.51
Others	3,032.56	0.00	3,410.92	0.72	2,811.92	0.74
Profit before Distribution costs and Administrative expenses	109,157.41	25.71	125,913.03	26.59	80,138.47	21.22
Distribution costs	11,263.54	2.65	6,193.99	1.31	3,320.20	0.88
Administrative expenses	43,166.11	10.17	39,691.48	8.38	39,297.69	10.41
Directors' remuneration	2,326.50	0.55	2,993.00	0.63	2,096.00	0.56
Management benefit expenses	20,251.52	4.77	21,781.36	4.60	21,918.00	5.80
Total Distribution costs and Administrative expenses	65,744.13	15.49	64,465.84	13.61	63,311.69	16.77
Profit before finance cost and income tax expense	32,149.74	7.57	55,253.20	11.67	13,506.58	3.58
Finance costs	752.29	0.18	594.17	0.13	499.86	0.13
Profit before income tax expense	31,397.45	7.40	54,659.03	11.54	13,006.71	3.44
Tax expense	121.17	0.03	3,698.40	0.78	2,342.00	0.62
Profit for the year from continuing operations	31,276.28	7.37	50,960.63	10.76	10,664.71	2.82
Profit (loss) for the year from discontinued operations	336.96	0.08	(114.32)	(0.02)	(1,197.51)	(0.32)
Profit for the year	31,613.24	7.45	50,846.31	10.74	9,467.20	2.51
Other comprehensive income						
- Gains (losses) on remeasurements of						
defined benefit plans	(569.62)	(0.13)	(3,472.89)	(0.73)	3,476.65	0.92
- Income tax relating to components of other comprehensive						
income that will not be reclassified to profit or loss	40.60	0.01	194.90	0.04	(500.90)	(0.13)
Total Other comprehensive income (expense) for the year - net of tax	31,084.22	7.32	47,568.31	10.04	12,442.95	3.30
Basic earnings per share (Baht)	0.323		0.517		0.10	
Book Value (Baht)	4.54		4.63		4.45	
Par Value (Baht)	1.00		1.00		1.00	

* Gross profit margins showed above were computed by dividing gross profit with service income

◆ Qualitech Public Company Limited and Subsidiaries

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018 to 2020

Unit : Thousand Baht

Result of the Operation	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	27,265.52	5.28	50,103.29	9.24	50,994.00	10.51
Current investment	0.00	0.00	78,386.98	14.45	101,640.59	20.95
Trade and other current receivables	99,029.96	19.17	105,826.49	19.51	66,777.54	13.76
Unbilled services income	0.00	0.00	93,409.46	17.22	60,152.48	12.40
Contract assets	66,290.82	12.83	0.00	0.00	0.00	0.00
Inventories	8,835.70	1.71	9,484.81	1.75	4,571.52	0.94
Other current financial assets	95,763.79	18.53	0.00	0.00	0.00	0.00
Assets classified as held for sale	13,737.75	2.66	0.00	0.00	0.00	0.00
Total current assets	310,923.54	60.18	337,211.03	62.16	284,136.13	58.56
Non-current assets						
Property, plant and equipment	177,244.45	34.30	189,537.63	34.94	182,614.52	37.63
Restricted bank deposits	0.00	0.00	66.66	0.01	4,468.40	0.92
Right-of-use assets	14,924.25	2.89	0.00	0.00	0.00	0.00
Goodwill	4,844.34	0.94	0.00	0.00	0.00	0.00
Other intangible assets other than goodwill	2,260.03	0.44	2,019.42	0.37	2,186.40	0.45
Deferred tax assets	2,813.69	0.54	1,623.07	0.30	1,291.65	0.27
Income tax for refund	3,359.20	0.65	10,426.65	1.92	9,623.96	1.98
Others non-current assets	328.21	0.06	1,566.68	0.29	915.84	0.19
Total non-current assets	205,774.17	39.82	205,240.11	37.84	201,100.78	41.44
Total assets	516,697.71	100.00	542,451.14	100.00	485,236.91	100.00

◆ Qualitech Public Company Limited and Subsidiaries

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2018 to 2020

Unit : Thousand Baht

Result of the Operation	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Liabilities						
Current liabilities						
Trade and other current payables	32,929.93	6.37	54,815.11	10.11	28,533.65	5.88
Current portion of lease liabilities	3,003.46	0.58	1,944.45	0.36	1,903.04	0.39
Liabilities included with asset classified as held for sale	276.82	0.05	0.00	0.00	0.00	0.00
Total current liabilities	36,210.21	7.01	56,759.56	10.46	30,436.69	6.27
Non-current liabilities						
Lease liabilities	6,028.06	1.17	3,593.29	0.66	2,012.03	0.41
Non-current provisions for employee benefit	27,309.77	5.29	25,601.27	4.72	14,288.93	2.94
Total non-current liabilities	33,337.83	6.45	29,194.56	5.38	16,300.97	3.36
Total liabilities	69,548.04	13.46	85,954.12	15.85	46,737.66	9.63
Shareholders' equity						
Authorized share capital	98,568.49	19.08	98,568.49	18.17	98,568.49	20.31
Issued and paid-up share capital	98,568.49	19.08	98,568.49	18.17	98,568.49	20.31
Share premium on ordinary shares	75,175.54	14.55	75,175.54	13.86	75,175.54	15.49
Equity-settled share-based payment reserve	10,680.19	2.07	10,680.19	1.97	10,680.19	2.20
Appropriated - legal reserve	10,346.85	2.00	10,346.85	1.91	10,346.85	2.13
Retained earnings						
Unappropriated	252,559.20	48.88	261,692.27	48.24	243,602.34	50.20
Total owners of the Company	447,330.26	86.57	456,463.33	84.15	438,373.41	90.34
Non-controlling interests	(180.59)	(0.03)	33.69	0.01	125.85	0.03
Total shareholders' equity	447,149.67	86.54	456,497.02	84.15	438,499.25	90.37
Total liabilities and shareholders' equity	516,697.71	100.00	542,451.14	100.00	485,236.91	100.00

◆ Qualitech Public Company Limited and Subsidiaries
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 to 2020

Unit : Baht

List	2020	2019	2018
Cash flows from operating activities			
Profit for the period	31,613,243.82	50,846,309.48	11,809,201.62
Adjustments			
Gain on revaluation of fair value	(508,219.61)	(1,355,899.24)	(913,294.74)
Unrealized loss on exchange rate	6,049.56	264.00	0.00
Gain on revaluation of fair value	85,379.40	(318,471.53)	1,082,320.23
(Increase) decrease in unbilled service income	22,349,043.62	(33,233,092.93)	(17,265,852.43)
Loss on devaluation of inventories	0.00	78,452.95	0.00
Depreciation	27,629,584.54	26,361,954.80	27,279,030.81
Gain on sale of segment	0.00	0.00	(9,459,265.90)
(Gain) loss on sale of equipment	(346,054.38)	89,677.16	304,443.22
Loss on impairment of properties foreclosed	3,450.55	0.00	(33,559.55)
Amortized other intangible assets other than goodwill	439,389.46	390,787.22	354,658.87
Amortized other assets	104,040.46	0.00	0.00
Provisions for employee benefits	2,482,800.76	7,419,324.24	1,543,389.64
Dividend income	0.00	0.00	5,406,780.73
Interest expenses	751,640.06	594,819.65	505,723.13
Tax expenses (income)	208,330.50	3,698,399.53	0.00
	84,818,678.74	54,572,525.33	20,613,575.63
(Increase) Decrease in portion of operating assets			
Trade and other current receivables	6,682,193.29	(38,693,302.89)	15,144,082.98
Inventories	2,272,686.70	(4,991,747.31)	2,051,322.46
Deposit at bank pledged as collateral	66,660.00	4,401,740.00	(968,400.00)
Other assets	1,238,466.87	(643,204.15)	(511,202.37)
Increase (Decrease) in portion of operating liabilities			
Trade and other current payables	(19,819,024.23)	25,179,838.07	(7,240,200.25)
Cash generated (paid) from operation	75,259,661.37	39,825,849.05	29,089,178.45
Employee benefit paid	(3,380,408.47)	0.00	(2,158,140.05)
Interest paid	(302,128.05)	(174,700.18)	(173,460.72)
Income tax paid	(3,536,794.30)	(4,637,609.49)	(6,259,228.85)
Proceeds from income tax	9,466,306.44	0.00	0.00
Net cash provided by (used in) operating activities	77,506,636.99	35,013,539.38	20,498,348.83

◆ Qualitech Public Company Limited and Subsidiaries
 STATEMENTS OF CASH FLOWS (Cont'd)
 FOR THE YEARS ENDED DECEMBER 31, 2018 to 2020

Unit : Baht

List	2020	2019	2018
Cash flows from investing activities			
Payments for acquire of subsidiary net of cash received	(3,878,094.62)	0.00	0.00
Proceeds from equity securities of other parties	96,602,586.87	29,609,504.39	17,140,402.55
Payments for acquire of equity securities of other parties	(118,114,107.15)	(5,000,000.00)	0.00
Proceeds from sales of equipment	2,183,114.75	1,101,192.84	983,474.54
Payments for equipment acquisition	(26,460,023.44)	(29,610,222.99)	(15,537,353.75)
Payments for right-of-use assets	(1,795,434.57)	0.00	0.00
Payments for other intangible assets acquisition other than goodwill	(555,000.00)	(223,800.00)	(402,191.46)
Proceeds from sales of segment	0.00	0.00	13,066,000.00
Net cash provided by (used in) investing activities	(52,016,958.16)	(4,123,325.76)	15,250,331.88
Cash flows from financing activities			
Payments for short-term borrowings	(2,900,000.00)	0.00	0.00
Payments for lease liabilities	(2,660,460.70)	(2,210,384.80)	(2,577,929.00)
Payments for dividend	(34,468,051.50)	(29,570,545.50)	(29,570,545.50)
Proceeds from non-controlling interests	0.00	0.00	304,600.00
Net cash provided by (used in) financing activities	(40,028,512.20)	(31,780,930.30)	(31,843,874.50)
Net increase (decrease) in cash and cash equivalents	(14,538,833.37)	(890,716.68)	3,904,806.21
Cash and cash equivalents as at January 1	50,103,286.48	50,994,003.16	47,089,196.95
Transfer cash and cash equivalents of subsidiaries to assets classified as held for sale	(8,298,931.02)	0.00	0.00
Cash and cash equivalents as at December 31	27,265,522.09	50,103,286.48	50,994,003.16



Explanation and Analysis of Financial Status and Result of the Operation

◆ Explanation and Analysis of Financial Status and Result of the Operation

Operations Results of Qualitech Public Company Limited and Subsidiary

Operation Summary

In 2020, the consolidated financial statement of Qualitech Public Company Limited totaled 424.55 Million Baht , a decrease of 49.02 Million Baht or 10.35% due to the outbreak of Corona virus (COVID-19) this year effected to services of the Company especially Non-destructive testing services, leading to slowing down clients' construction projects including importing/exporting raw materials from aboard and world shipping market issue. The overall cost of services, cost of distribution and administrative expenses decreased from year 2019 since the Company has executed cost reduction project such as Performance management (Lean concept) for organization and reduced cost of service parallely with plan of utilizing manpower appropriately with work capability, resulting in the profits belonging to the main company reached 31.83 Million Baht, a decrease of 19.11 Million Baht or 37.51% compared to 2020

Income structure	2020		2019		% Change
	Million Baht	%	Million Baht	%	
Non-Destructive Testing	184.80	43.53	198.52	41.92	-6.92
Inspection and Certification	204.01	48.06	246.17	51.98	-17.13
Other Service and Sales	32.71	7.70	25.48	5.38	28.38
Others Revenue	3.03	0.71	3.41	0.72	-11.15
Total	424.55	100.00	473.58	100.00	-10.35

Cost of service Cost Distribution and Administrative expenses

In 2020, the Company's cost of service totaled 315.40 Million Baht , a decrease of 32.27 Million Baht or 9.28%. The proportion of service cost in 2020 was equivalent to 74.82% of the income from service. Consequently, the Company's gross profit was 25.18%, lower than 26.06% in 2019. The cost of distribution accounted for 11.26 Million Baht , an increase of 5.07 Million Baht or 81.85%, and the management expense accumulated to 65.74 Million Baht, an increase of 1.28 Million Baht or 1.98% compared to the year 2019. Cost of services, cost of distribution and administrative expenses were decreased due to the Company has executed cost reduction project such as Performance management (Lean concept) for organization and reduced cost of service parallelly with plan of utilizing manpower appropriately with work capability.

Net Profit

The Company has profits belonging to owners of the company at 31.83 Million Baht , a decrease of 19.11 Million Baht or 37.51% compared to 2019. The decrease in net profits was the result of the Company earning lower income from services in every service.

Profitability Ratios

Consolidated Financial Statement	2020	2019
Gross Profit Margin	25.18%	26.06%
Operation Profit Margin	7.63%	11.75%
Net Profit Margin	7.55%	10.83%
Return on Equity	7.04%	11.38%

In 2020, the Company's gross profit reached 25.18%, lower than the previous year at 26.06%. Operation Profit Margin accumulated to 7.63%, net profit at 7.55%, and return on equity at 7.04%, lower than the year before.

Financial Position

Consolidated Financial Statement	2020		2019		% Change
	Million Baht	%	Million Baht	%	
Asset	516.70	100.00	542.45	100.00	-4.75
Liability	69.55	13.46	85.95	15.84	-19.08
Shareholders' equity	447.33	86.58	456.46	84.15	-2.00

Asset

The Company's total assets as of 31 December 2020 totaled 516.70 Million Baht : current assets at 310.92 Million Baht and fixed assets at 205.77 Million Baht . The total assets decreased by 25.75 Million Baht or 4.75% compared to the total assets of 542.45 Million Baht as of 31 December 2019. Asset in year 2020 decreased from year 2019 due to the revenue decreased comparing with previous year resulting in contract asset, trade and other current receivables, cash item and cash equivalent.

Trade account receivable and other current receivable and contract asset

In 2020, the Company had accounts receivable total 99.03 Million Baht, decreased by 6.80 Million Baht in year 2019 and contract asset total 66.29 Million decreased by 27.12 Million Baht in year 2019 because the revenue decreased from year 2019. The Company has policy allowing the minimum period of payment customers at 30 days starting from the day the Company submits the invoice. The Company will consider the payment period based on the customers' record, volume of sales order and history of previous payments. As regards the policy specify allowance expected credit loss of trade account receivable and contract asset in year 2020. The company has applied Thai Financial Reporting Standards (TFRS) No.9 - Financial instrument and dividend payment for shareholders to calculated expected credit loss, result in an increasing in expected credit loss of trade account receivable and contract asset 6.38 Million Baht from year 2019.

Trade account receivable and other current receivable (Unit : Million Baht)

Combined financial statement	2020	2019
Trade account receivable and other current receivable	117.84	123.03
Deduct allowance expected credit loss – Trade account receivable	(18.81)	(17.21)
Trade account receivable and other current receivable- Net	99.03	105.83

Contract asset (Unit : Million Baht)

Combined financial statement	2020 Contract asset	2019 Unbilled service value
Contract asset	71.14	93.49
Deduct allowance expected credit loss	(4.85)	(0.08)
Contract asset - Net	66.29	93.41

Property, plant and equipment – Net and Rights of use assets

Property, plants and equipment (net) in 2020 accumulated to 177.24 Million Baht, a decrease by 12.29 Million Baht from 2019. Rights of use assets in 2020, accumulated to 14.92 Million Baht an increase by 14.92 Million Baht from 2019. The value of Property, Plant and Equipment-Net and Right of use assets have increased due to the company has hired-purchased vehicles to use in services.

Liabilities

At 31 December 2020, the company has debt totaling 69.55 million baht, a decrease by 16.41 Million Baht as of 31 December 2019 or 19.09%. Current liability decrease by 20.55 Million Baht or 36.20% since the Company has the account payables arising from the Purchasing order of consumables. In addition, the Company has spent more on staff, with an increase of non-current liabilities at 4.14 Million Baht or 14.19% due to the Company was indebted of Hire-purchase vehicle contract to use in operation.

Shareholders' equity

The Company has the equity of shareholders of the parent company as of 31 December 2020 totaling 447.33 Million Baht, a decrease by 9.13 Million Baht as of the end of the accounting period 2019 or a 2.00% due to the change of retained earning from government's policy in accordance with Thai Financial Reporting Standards (TFRS) No.9 - Financial instrument and dividend payment for shareholders.

Cash Flow (Unit : Million Baht)

Cash Flow	2020	2019
Net Cash provided by operating activities	77.51	35.01
Net Cash used in investing activities	(52.02)	(4.12)
Net Cash used in financing activities	(40.03)	(31.78)
Net increase (decrease) in cash and cash equivalents	(14.54)	(0.89)
Cash and cash equivalents as at December 31	27.27	50.10

The Company has net cash derived for business activities accounting for 77.51 Million Baht, gaining profit from the operation prior to the change in asset and operating liabilities total 84.82 Million Baht. Asset and operating liabilities from the account receivables and other current receivables decreased by 6.68 Million Baht, inventories decreased by 2.27 Million Baht and the account payable and other current account payables decreased by 19.82 Million Baht and tax return cash by 9.47 Million Baht

Cash flow was spent on investment activities total 52.02 Million Baht. The company purchased tool, equipment and vehicle for service provision worth 26.46 Million Baht. The change of cash refund/purchase other company's equity amount 21.51 Million Baht and payment of take over subsidiary company increased by 3.88 Million Baht.

Cash flow was spent on financing activities amount 40.03 Million Baht; for dividend payment amount 34.47 Million Baht and 2.66 Million Baht for the liability payment according to the financial lease.

The Company had cash and cash equivalent as of 31 December 2020 worth 27.27 Million Baht, a decrease of 22.83 Million Baht compared to 31 December 2019.

Liquidity

Cash Flow	2020	2019
Current Ratio (time)	8.59	5.94
Account Receivable Turnover (time)	4.27	4.67
Average Collection Period (day)	86	79
Account Payable Turnover (time)	7.19	8.34
Average Payment Period (day)	51	44

The Company's liquidity ratio in 2020 equaled 8.59, a 2.65 increase from 2019, due to an increase in the Company's current liability.

The Company's average collection payment in 2020 was 86 days, 7 days more than 2019 since in 2020 the company received late payment from some customers, extended the collection payment period. The average payment day in 2020 was 51 days, 7 days more than 2019.



Responsibility Report of the Board to the Financial Report

Responsibility Report of the Board to the Financial Report

To shareholders of Qualitech Public Company Limited

The Company's Board of Directors are responsible for the consolidated financial statements of Qualitech Public Company Limited and its subsidiaries. The consolidated financial statements have been compiled according to Thailand's accepted accounting standards and the accounting policy is considered on a regular basis to ensure the appropriateness, reasonability and precaution. In addition, the disclosure of important information is adequate as stated in the notes to the financial statement for the benefit of the shareholders and general investors.

The Company's Board of Directors has appointed the Audit Committee consisting of independent directors who are not executives and whose qualifications are adequate according to Securities and Exchange Act and SEC Regulations. The Audit Committee has the duty to verify the financial statement, supervise to ensure compliance to the accounting standard, and verify the internal control system, the internal audit system, and the risk management to ensure that they are appropriate and efficient. In addition, the opinion of the Audit Committee as regards such matters appears on the report of the Audit Committee which is presented in the Annual Report.

The Board of Directors is of the opinion on the financial report that the Company's internal control system is overall adequate and appropriate. The consolidated financial statements of Qualitech Public Company Limited and its subsidiaries for the year ended 31 December 2020 presenting the financial position, the operating result, and cash flow is correct according to the financial report standards. The auditors have audited and given opinions in the Auditor Report as shown in this year's Annual Report.



Mr. Sannpat Rattakham
Chairman of the Board of Directors/
Chairman of the Executive Committee



Auditor's Report

AUDITOR'S REPORT

To The Shareholders of Qualitech Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of Qualitech Public Company Limited and subsidiaries (the Group) and of Qualitech Public Company Limited (the Company), which comprise consolidated and separate statements of financial position as at December 31, 2020, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, and notes to financial statements including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Qualitech Public Company Limited and subsidiaries and of Qualitech Public Company Limited as at December 31, 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current

period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Recognition of revenues from services and unbilled services income

As at December 31, 2020, the Group have material amount of unbilled revenues from services of Baht 66.29 million in the consolidated financial statements. The calculation of unbilled services income is complicated procedure because of various rate of services fee and depending on the nature of service rendering of each contract. There are a lot of internal control document for recoding services rendering in each day which may result to the incomplete collection of such document and/or inaccurate calculation of unbilled revenue from services income. Accordingly, I have addressed as key audit matter.

I have obtained an assurance in respect of the accuracy and completeness of unbilled services income, by included;

- Obtained an understanding of internal control system relating to revenues from services recognition.
- Tested the significant internal control system relating to the accuracy and completeness of revenues from services.
- Checked the details of unbilled services income with document of time record and completed works, the rate of service fee and nature of work as stipulated in engagement contract.
- Tested the calculating amount of details of unbilled services income.

Control of equipment and tools on site work

As stated in notes 12 to financial statements, as at December 31, 2020 the Group have material amount of equipment and tools of Baht 51.37 million (net of accumulated depreciation amount of Baht 161.51 million) in the consolidated financial statements. Such tools and equipment are main assets used for providing services rendering to customers since the Group have many service sites and have to take such assets to perform the work at the site as stipulated by customers. Such assets, therefore, may easily lost. Accordingly, I have addressed the existing of such assets as key audit matter.

I have obtained an assurance in respect of the existing of tools and equipment, by included ;

- Obtained an understanding of internal control system relating to tools and equipment.

- Performed of the physical count stock of tools and equipment as at the end of year as disclosed in details of tools and equipment of each site work.
- Reconciled the details of tools and equipment of each service site as at the end of year and the register of tools and equipment.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement appropriately.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with 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 or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also :

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

D I A International Audit Co., Ltd.



(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

February 20, 2021



Financial Statement

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	6	27,265,522.09	50,103,286.48	21,665,715.73	44,487,687.86
Current investment	5,9	0.00	78,386,982.71	0.00	64,805,372.06
Trade and other current receivables	7	99,029,961.23	105,826,489.34	97,121,675.48	104,806,106.45
Unbilled service income	5,8	0.00	93,409,461.20	0.00	93,606,133.34
Contract assets	8	66,290,814.88	0.00	65,857,325.88	0.00
Inventories		8,835,701.01	9,484,810.64	6,151,373.08	6,674,168.02
Other current financial assets	9	95,763,792.44	0.00	95,763,792.44	0.00
Assets classified as held for sale	10	13,737,747.24	0.00	10,249,385.00	0.00
Total current assets		310,923,538.89	337,211,030.37	296,809,267.61	314,379,467.73
Non-current assets					
Investment in subsidiaries	11	0.00	0.00	18,513,100.00	14,348,985.00
Restricted bank deposits		0.00	66,660.00	0.00	0.00
Property, plant and equipment	12	177,244,444.08	189,537,631.76	175,547,070.42	187,721,672.92
Right-of-use assets	13	14,924,254.27	0.00	14,924,254.27	0.00
Goodwill	14	4,844,339.37	0.00	0.00	0.00
Other intangible assets other than goodwill	15	2,260,027.37	2,019,416.83	2,260,027.37	2,019,416.83
Deferred tax assets	16	2,813,692.50	1,623,067.72	2,654,169.65	1,620,205.22
Income tax for refund		3,359,198.15	10,426,650.99	3,341,124.10	10,280,836.05
Others non-current assets	17	328,213.38	1,566,680.25	1,491,073.38	1,566,680.25
Total non-current assets		205,774,169.12	205,240,107.55	218,730,819.19	217,557,796.27
Total assets		516,697,708.01	542,451,137.92	515,540,086.80	531,937,264.00

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2020

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other current payables	18	32,929,927.26	54,815,106.14	32,842,146.49	53,976,847.78
Current portion of lease liabilities	19	3,003,458.44	1,944,453.23	3,003,458.44	1,944,453.23
Liabilities included with asset classified					
as held for sale	10	276,817.55	0.00	0.00	0.00
Total current liabilities		36,210,203.25	56,759,559.37	35,845,604.93	55,921,301.01
Non-current liabilities					
Lease liabilities	19	6,028,058.87	3,593,285.91	6,028,058.87	3,593,285.91
Non-current provisions for employee					
benefit	20	27,309,774.24	25,601,271.67	27,183,438.07	25,582,601.17
Total non-current liabilities		33,337,833.11	29,194,557.58	33,211,496.94	29,175,887.08
Total liabilities		69,548,036.36	85,954,116.95	69,057,101.87	85,097,188.09

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2020

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
		2020	2019	2020	2019	
Liabilities and shareholders' equity						
Shareholders' equity						
Share capital						
Authorized share capital						
98,568,485 common shares of						
		Baht 1 each	98,568,485.00	98,568,485.00	98,568,485.00	98,568,485.00
Issued and paid-up share capital						
98,568,485 common shares of						
		Baht 1 each	98,568,485.00	98,568,485.00	98,568,485.00	98,568,485.00
		Share premium on ordinary shares	75,175,543.40	75,175,543.40	75,175,543.40	75,175,543.40
		Equity-settled share-based payment reserve	10,680,188.03	10,680,188.03	10,680,188.03	10,680,188.03
Retained earnings						
	21	Appropriated - legal reserve	10,346,848.50	10,346,848.50	10,346,848.50	10,346,848.50
	22	Unappropriated	252,559,198.09	261,692,265.53	251,711,920.00	252,069,010.98
		Total owners of the Company	447,330,263.02	456,463,330.46	446,482,984.93	446,840,075.91
		Non-controlling interests	(180,591.37)	33,690.51	0.00	0.00
		Total shareholders' equity	447,149,671.65	456,497,020.97	446,482,984.93	446,840,075.91
		Total liabilities and shareholders' equity	516,697,708.01	542,451,137.92	515,540,086.80	531,937,264.00

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2020	2019	2020	2019
Sales and services income		421,521,312.64	470,165,418.87	413,472,530.53	471,127,158.96
Cost of sale and services		(315,396,467.53)	(347,663,311.27)	(310,232,552.20)	(349,101,617.00)
Gross profit		106,124,845.11	122,502,107.60	103,239,978.33	122,025,541.96
Other income					
Dividend income	8	0.00	0.00	8,999,460.00	0.00
Others		3,032,560.34	3,410,920.96	4,024,109.64	3,779,242.04
Distribution costs		(11,263,538.33)	(6,193,994.88)	(10,581,386.70)	(6,193,994.88)
Administrative expenses		(65,744,134.30)	(64,465,828.08)	(64,053,592.90)	(63,896,863.28)
Profit from operating activities		32,149,732.82	55,253,205.60	41,628,568.37	55,713,925.84
Finance costs		(752,285.03)	(594,174.66)	(752,285.03)	(594,174.66)
Profit before income tax expense		31,397,447.79	54,659,030.94	40,876,283.34	55,119,751.18
Tax expense	23	(121,167.80)	(3,698,399.53)	(267,769.90)	(3,698,399.53)
Profit for the year from continuing operations		31,276,279.99	50,960,631.41	40,608,513.44	51,421,351.65
Profit (loss) for the year from discontinued operations	10	336,963.83	(114,321.93)	0.00	0.00
Profit for the year		31,613,243.82	50,846,309.48	40,608,513.44	51,421,351.65
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- Losses on remeasements of					
defined benefit plans	19	(569,619.53)	(3,472,893.41)	(569,619.53)	(3,472,893.41)
- Income tax relating to components					
of other comprehensive income					
that will not be reclassified to profit or loss	23	40,602.48	194,898.78	40,602.48	194,898.78
Other comprehensive income (expense) for the year					
- net of tax		(529,017.05)	(3,277,994.63)	(529,017.05)	(3,277,994.63)
Total comprehensive income for the year		31,084,226.77	47,568,314.85	40,079,496.39	48,143,357.02

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
Profit (loss) attributable to :				
Owners of the Company				
Continuing operations	31,495,606.85	51,052,775.46	40,608,513.44	51,421,351.65
Discontinued operations	336,930.13	(114,310.50)	0.00	0.00
Total	31,832,536.98	50,938,464.96	40,608,513.44	51,421,351.65
Non-controlling interests				
Continuing operations	(219,326.86)	(92,144.05)	0.00	0.00
Discontinued operations	33.70	(11.43)	0.00	0.00
Total	(219,293.16)	(92,155.48)	0.00	0.00
Grand total	31,613,243.82	50,846,309.48	40,608,513.44	51,421,351.65
Total comprehensive income (expense) attributable to :				
Owners of the Company	31,303,519.93	47,660,470.33	40,079,496.39	48,143,357.02
Non-controlling interests	(219,293.16)	(92,155.48)	0.00	0.00
Grand total	31,084,226.77	47,568,314.85	40,079,496.39	48,143,357.02
Earnings (loss) per share				
Basic (loss) earnings per share				
Profit from continuing operations	0.320	0.518	0.412	0.522
Profit (loss) from discontinued operations	0.003	(0.001)	0.000	0.000
Total	0.323	0.517	0.412	0.522
Weighted average number of common shares	98,568,485	98,568,485	98,568,485	98,568,485

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Consolidated financial statements (Baht)

Note	Owners of the Company							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve		Retained earnings		Total owners of the Company		
			Equity-settled share-based payment reserve	Appropriated	Unappropriated	Retained earnings			
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	261,692,265.53	456,463,330.46	33,690.51	456,497,020.97	
5	0.00	0.00	0.00	0.00	(5,937,617.62)	(5,937,617.62)	0.00	(5,937,617.62)	
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	255,754,647.91	450,525,712.84	33,690.51	450,559,403.35	
	Changes in shareholders' equity for the year:								
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,551.28	5,551.28
22	0.00	0.00	0.00	0.00	(34,498,969.75)	(34,498,969.75)	(540.00)	(34,499,509.75)	
	0.00	0.00	0.00	0.00	31,832,536.98	31,832,536.98	(219,293.16)	31,613,243.82	
	0.00	0.00	0.00	0.00	(529,017.05)	(529,017.05)	0.00	(529,017.05)	
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	252,559,198.09	447,330,263.02	(180,591.37)	447,149,671.65	
	Beginning balance of the year 2019								
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	243,602,340.70	438,373,405.63	125,845.99	438,499,251.62	
	Changes in shareholders' equity for the year:								
	0.00	0.00	0.00	0.00	(29,570,545.50)	(29,570,545.50)	0.00	(29,570,545.50)	
	0.00	0.00	0.00	0.00	50,938,464.96	50,938,464.96	(92,155.48)	50,846,309.48	
	0.00	0.00	0.00	0.00	(3,277,994.63)	(3,277,994.63)	0.00	(3,277,994.63)	
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	261,692,265.53	456,463,330.46	33,690.51	456,497,020.97	

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

Note	Separate financial statements (Baht)						Total shareholders' equity
	Issued and paid-up share capital	Share premium	Equity-settled		Retained earnings		
			share-based payment reserve	Appropriated	Unappropriated		
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	252,069,010.98	446,840,075.91	
5	0.00	0.00	0.00	0.00	(5,937,617.62)	(5,937,617.62)	
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	246,131,393.36	440,902,458.29	
	0.00	0.00	0.00	0.00	0.00	0.00	
22	0.00	0.00	0.00	0.00	(34,498,969.75)	(34,498,969.75)	
	0.00	0.00	0.00	0.00	40,608,513.44	40,608,513.44	
	0.00	0.00	0.00	0.00	(529,017.05)	(529,017.05)	
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	251,711,920.00	446,482,984.93	
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	233,496,199.46	428,267,264.39	
	0.00	0.00	0.00	0.00	0.00	0.00	
22	0.00	0.00	0.00	0.00	(29,570,545.50)	(29,570,545.50)	
	0.00	0.00	0.00	0.00	51,421,351.65	51,421,351.65	
	0.00	0.00	0.00	0.00	(3,277,994.63)	(3,277,994.63)	
	98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	252,069,010.98	446,840,075.91	

Beginning balance of the year 2020

Effects from accounting policy

Beginning balance of the year 2020, restated

Changes in shareholders' equity for the year:

Dividend paid

Profit for the year

Other comprehensive expense for the year

Ending balance of the year 2020

Beginning balance of the year 2019

Changes in shareholders' equity for the year:

Dividend paid

Profit for the year

Other comprehensive expense for the year

Ending balance of the year 2019

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2020	2019	2020	2019
Cash flows from operating activities					
Profit for the period		31,613,243.82	50,846,309.48	40,608,513.44	51,421,351.65
Adjustments					
Gain on revaluation of fair value		(508,219.61)	(1,355,899.24)	(446,900.10)	(1,173,071.60)
Unrealized loss on exchange rate		6,049.56	264.00	6,114.41	264.00
Expected credit loss (reversed)		85,379.40	(318,471.53)	85,379.40	(357,081.53)
(Increase) decrease in unbilled service income		22,349,043.62	(33,233,092.93)	22,979,204.76	(33,754,343.90)
Loss on devaluation of inventories		0.00	78,452.95	0.00	0.00
Depreciation		27,629,584.54	26,361,954.80	27,188,377.16	25,756,489.34
(Gain) loss on sale of equipment		(346,054.38)	89,677.16	(246,227.34)	(24,487.42)
Loss on impairment of properties foreclosed		3,450.55	0.00	3,450.55	0.00
Amortized other intangible assets other than goodwill		439,389.46	390,787.22	439,389.46	390,787.22
Amortized other assets		104,040.46	0.00	0.00	0.00
Provisions for employee benefits		2,482,800.76	7,419,324.24	2,370,192.39	7,415,611.25
Dividend income		0.00	0.00	(8,999,460.00)	0.00
Interest expenses		751,640.06	594,819.65	752,285.03	594,174.66
Tax expenses (income)		208,330.50	3,698,399.53	267,769.90	3,698,399.53
		84,818,678.74	54,572,525.33	85,008,089.06	53,968,093.20
(Increase) Decrease in portion of operating assets					
Trade and other current receivables		6,682,193.29	(38,693,302.89)	6,298,826.13	(38,300,273.10)
Inventories		2,272,686.70	(4,991,747.31)	522,794.94	(3,102,952.32)
Deposit at bank pledged as collateral		66,660.00	4,401,740.00	0.00	3,500,000.00
Other assets		1,238,466.87	(643,204.15)	1,299,606.87	(643,204.15)
Increase (Decrease) in portion of operating liabilities					
Trade and other current payables		(19,819,024.23)	25,179,838.07	(19,202,314.97)	25,094,764.28

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2020	2019	2020	2019
Cash generated (paid) from operation		75,259,661.37	39,825,849.05	73,927,002.03	40,516,427.91
Employee benefit paid		(3,380,408.47)	0.00	(1,789,132.00)	0.00
Interest paid		(302,128.05)	(174,700.18)	(302,128.05)	(174,700.18)
Income tax paid		(3,536,794.30)	(4,637,609.49)	(3,434,695.13)	(4,649,451.93)
Proceeds from income tax		9,466,306.44	0.00	9,466,306.44	0.00
Net cash provided by (used in) operating activities		77,506,636.99	35,013,539.38	77,867,353.29	35,692,275.80
Cash flows from investing activities					
Payments for acquire of subsidiary net of cash received		(3,878,094.62)	0.00	(5,483,500.00)	0.00
Payments for acquire of ordinary shares increase of subsidiaries		0.00	0.00	(10,154,000.00)	0.00
Proceeds from equity securities of other parties		96,602,586.87	29,609,504.39	87,602,586.87	29,609,504.39
Payments for acquire of equity securities of other parties		(118,114,107.15)	(5,000,000.00)	(118,114,107.15)	0.00
Payments for loans to subsidiary		0.00	0.00	(3,000,000.00)	0.00
Proceeds from loans to subsidiary		0.00	0.00	3,000,000.00	0.00
Proceeds from sales of equipment		2,183,114.75	1,101,192.84	676,428.41	386,292.84
Payments for equipment acquisition		(26,460,023.44)	(29,610,222.99)	(24,737,786.78)	(29,427,805.08)
Payments for right-of-use assets		(1,795,434.57)	0.00	(1,795,434.57)	0.00
Payments for other intangible assets acquisition other than goodwill		(555,000.00)	(223,800.00)	(555,000.00)	(223,800.00)
Dividend received from subsidiary		0.00	0.00	8,999,460.00	0.00
Net cash provided by (used in) investing activities		(52,016,958.16)	(4,123,325.76)	(63,561,353.22)	344,192.15
Cash flows from financing activities					
Payments for short-term borrowings		(2,900,000.00)	0.00	0.00	0.00
Payments for lease liabilities		(2,660,460.70)	(2,210,384.80)	(2,660,460.70)	(2,190,101.80)
Payments for dividend		(34,468,051.50)	(29,570,545.50)	(34,467,511.50)	(29,570,545.50)
Net cash provided by (used in) financing activities		(40,028,512.20)	(31,780,930.30)	(37,127,972.20)	(31,760,647.30)
Net increase (decrease) in cash and cash equivalents		(14,538,833.37)	(890,716.68)	(22,821,972.13)	4,275,820.65
Cash and cash equivalents as at January 1		50,103,286.48	50,994,003.16	44,487,687.86	40,211,867.21
Transfer cash and cash equivalents of subsidiaries					
to assets classified as held for sale	10	(8,298,931.02)	0.00	0.00	0.00
Cash and cash equivalents as at December 31	6	27,265,522.09	50,103,286.48	21,665,715.73	44,487,687.86

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

- 1.1 The Company was registered as a company limited on February 11, 1991, with registration No. 0105534013647 and on December 12, 2007, the Company has changed its status to public company limited with registration No. 0107550000220 and is listed company in the Market for Alternative Investment (MAI) on June 9, 2009.
- 1.2 Head office is located at 21/3 Banplong Road, Maptaphut, Muang, Rayong and three branches office are located at 1/37 Moo 1, Nongchak, Banbueng, Chonburi, at 50, Soi Pattanakarn 57, Prawet, Bangkok, and at 83/50 Moo 10, Nongkham, Siracha, Chonburi.
- 1.3 The Company engaged in business of provides the technical services testing, inspection and certification for operation safety of industry equipment, pressure vessel, industrial boiler, piping and steel structures which is important for the production process, storage, transport of the products in power generating, petrochemical industry and construction to comply with industrial standard and the government laws.
- 1.4 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group's management will continue to monitor the ongoing situation and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities. The degree of the impact severity is dependent upon the pandemic controlling measures imposed by government and the duration of the pandemic.

2. PREPARATION OF FINANCIAL STATEMENTS BASIS

- 2.1 The Group's financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP) and the regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial performance of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding the condensed form should be included in the financial statements (No. 3) B.E. 2562 dated December 26, 2019.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2 New Financial Reporting Standards

2.2.1 Financial report standards that became effective in the current year

Thai Financial Reporting Standards which will become effective for the financial statements for the accounting period beginning on or after January 1, 2020.

Financial reporting standards related to financial instruments.

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Thai Financial Reporting Standards	Content
TFRS 7	Financial Instruments : Disclosures
TFRS 9	Financial Instruments
Thai Accounting Standard	
TAS 32	Financial Instruments : Presentation
Thai Financial Reporting Interpretations Committee	
TFRIC 16	Hedges of a Net Investments in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above set of Thai Financial Reporting Standards (TFRSs) sets out the requirements for the classification and measurement of financial instrument at the fair value or amortized cost by considering from the type of instruments, contractual cash flow characteristics and the entity's business model, including the impairment methodology by using the expected credit loss, and the general hedge accounting, as well as the presentation and disclosures of financial instrument. When this set of TFRSs are effective, as a result, some currently effective accounting standards, interpretations and guidance will be cancelled.

At present, the Management of the Group is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements as stated in notes 5 to financial statements.

TFRS 16 Leases

TFRS 16 Leases set out the principals of the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

TFRS 16 supersedes the following accounting standards together with related interpretations.

Thai Accounting Standard	Content
TAS 17 (Revised 2018)	Leases
Thai Standing Interpretations Committee	
TSIC 15 (Revised 2018)	Operating Leases - Incentives
TSIC 27 (Revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
Thai Financial Reporting Interpretations Committee	
TFRIC 4 (Revised 2018)	Determining Whether an Arrangement Contains a Lease

At present, the Management of the Group is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements as stated in notes 5 to financial statements.

2.2.2 Financial reporting standards that became effective for fiscal year beginning on or after January 1, 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for the financial statements for fiscal year beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards that included in amendments to references to the Conceptual Framework in Financial Reporting Standards, Definition of a business, Definition of material, and Interest Rate Benchmark Reforms.

The management of the Group is currently evaluating the impact of these standards to the financial in the year in which they are adopted.

3. CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

3.1 The consolidated financial statements incorporate the financial statements of the Company and subsidiaries which called as "the Group".

3.2 The consolidated financial statements have been prepared by including the financial statements of subsidiaries on which Qualitech Public Company Limited has ability to control in making financial and operating decisions until the controllable is ceased as below :

	Registration		Percentage of investment %		Type of business
	in		2020	2019	
QLT International Company Limited	Thailand		99.99	99.99	Providing materials for engineering services, inspection
Qualitech Myanmar Company Limited	Republic of the Union of Myanmar		80.00	80.00	Providing safety engineering services in Myanmar and engage in relevant business
Duwell Intertrade Company Limited	Thailand		99.99	0.00	Providing materials and equipment for engineering services, inspection

3.2 The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

3.3 The balance of accounts and transactions between Qualitech Public Company Limited and subsidiaries, unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

3.4 According to the minutes of the Board of directors' meeting No. 6/2020 held on August 12, 2020, passed the resolution to dissolve the operation of subsidiary (QLT International Co., Ltd.). The management of the Company believe that the subsidiary will able to liquidate the dissolution to be completed in the year 2020. Therefore, in the third quarter of 2020, in the consolidated financial statements preparation, the Company has reclassified assets and liabilities in such subsidiary to present as assets classified as held for sale and liabilities included with assets classified as held for sale and reclassified revenues and expenses in subsidiary to present as gains (losses) on discontinued operations (note 10).

On November 17, 2020, the subsidiary has already registered the dissolution which is currently awaiting for approval the liquidation from the government agency.

4. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

4.1 Income and expenses recognition

4.1.1 Revenues from services, the Group satisfied a performance obligation for the most of service contracts which recognized revenues from services on over time based on the period or completed work as stipulated in the service contract.

4.1.2 Revenues from sales based on the consideration to which the Group expects to be entitled in a contract, are recognized when it satisfies a performance obligation, therefore revenues from sales are recognized at a point in time when the power of control of goods have been transferred to the customers.

4.1.3 Dividend income is recognized when the shareholder's right to receive payment.

4.1.4 Other income and expenses are recognized on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents included cash on hand and at bank of which the maturity is less than three months from the deposit date and without restriction on withdrawal.

4.3 Trade receivables/contract assets

4.3.1 Trade receivables are stated at net realizable value/invoice less allowance for loss on financial assets.

4.3.2 The Group recognized the expected credit losses on its financial assets which measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition which a simplified approach to determine the lifetime expected credit losses.

4.3.3 Accounting Treatment Guidance regarding the "Temporary relief measures on accounting alternatives in response to the impacts of COVID-19 situation" had been announced in the Royal Gazette on April 22, 2020 which is effective for the financial statements preparation for the reporting period ended from January 1, 2020 to December 31, 2020.

The Group has elected to apply the temporary relief measures on accounting alternatives which do not take into forward looking information to determine expected credit losses in the case where the Group uses a simplified approach to measure the expected credit losses.

4.4 Other current financial assets

Investment in equity securities are measured at fair value through profit or loss, presented in statement of financial position at fair value. Changes in net fair value are recognized in profit of loss.

4.5 Inventory

Supplies are valued at the lower of cost on a first - in first - out (FIFO) basis or net realizable value.

4.6 Assets classified as held for sale / Liabilities included with assets classified as held for sale

In the consolidated financial statements preparation, assets and liabilities in the subsidiary in which the Company intends to discontinue operation in total within 1 year, were reclassified to be assets classified as held for sale and liabilities included with assets classified as held for sale and in the separate financial statements, investment in subsidiary was reclassified to assets classified as held for sale.

Net assets of discontinued operations as held for sale are stated at cost or fair value less selling expenses whichever is lower.

4.7 Investment in subsidiaries

Investment in subsidiaries is stated at cost net of provision for impairment (if any).

4.8 Property, plant and equipment

4.8.1 Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision for impairment of assets (if any). Cost of assets including the dismantlement, removal and restoration the site on which it is located, the obligation for which the Company incurs.

4.8.2 Building and equipment are depreciation on a straight-line basis over the estimated useful lives of the assets, and the depreciation charge has to be determined separately for each significant parts of property, plant and equipment with the cost that is significant in relation to the total cost of assets item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

The estimated useful lives of the assets are as follows :

	<u>Number of years</u>
Building	20
Building improvement	20
Office furniture and fixture	5
Tools and technical equipment	5
Office equipment	3, 5
Utilities system	5
Vehicles	5

Except for parts of tools and technical equipment were depreciated on double declining balance method since such tools and technical equipment are made up of technology component. Such technology has greatly developed to be raised the efficiency all the time and the Company must use such tools and technical equipment for performing its work in the customers' office, thus, the tools and technical equipment may possible be obsolete or damage from the performance.

Land and assets under construction were not depreciated.

4.9 Right-of-use assets / lease liabilities

Right-of-use assets

- 1) The Group recognized right-of-use assets at the commencement date. Right-of-use assets are stated at cost less any accumulated depreciation, provision for accumulated impairment, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and the lease payments made at or before the commencement date, less any lease incentives received.
- 2) If it is reasonably certain to be exercised that the ownership of reference assets will be transferred the Group when the lease term is terminated. Depreciation of right-of-use is calculated by a straight-line basis from the commencement date until the termination date of the useful life of right-of-use assets or lease term termination date whichever is earlier.
- 3) The Group depreciated right-of-use assets by a straight-line basis on over the useful live of the right-of-use assets or the lease period as follows:

	<u>Number of years</u>
Vehicles	5

Lease liabilities

At the commencement date of the lease, the Group recognized lease liabilities at the present value of lease payments payable over the lease term, discounted by the interest rate implicit in the lease present value or the Group's incremental borrowing rate. The amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognized as expenses on a straight-line basis over the lease term.

4.10 Goodwill

4.10.1 The Group initially recorded goodwill at cost, which equals to the excess of cost of business over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination the excess is immediately recognized as gain in profit or loss.

4.10.2 The Group carried goodwill at cost less any accumulated impairment losses and tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

4.11 Other intangible assets other than goodwill

Intangible assets are valued at cost less accumulated amortization and provision for impairment of assets (if any).

Amortization is determined on a straight-line basis 10 years.

4.12 Impairment of assets - non-financial assets

The Group have considered the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Group will consider the impairment for each asset item or each assets unit generating cash flows, whichever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company will recognize an impairment in the statements of comprehensive income for the period. The Group will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment except for impairment loss recognized for goodwill is not reversed in a subsequent period.

4.13 Transactions in foreign currencies

The Group record their transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates ruling on the same date.

Gains or Loss on exchange rate are taken into income or expense in the results of operation.

4.14 Financial instruments

Classification and measurement

- 1) The Group classifies financial assets, at the initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The classification is derived by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.
- 2) The Group classifies financial liabilities, at the initial recognition, as to be measured at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using effective interest rate method. Gains or losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process. In determining amortized cost, the Group takes into account any fees or costs that are an integral part of the effective interest rate. The amortization of effective interest rate is included in finance costs in profit or loss.

Impairment of financial assets

The Group recognizes expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Group applied a simplified approach to determine the lifetime expected credit losses.

4.15 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.16 Employee benefits

4.16.1 Provident Fund

The Group have established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

4.16.2 Post-employee benefits

The Group provide for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method of which calculated by the Independent Actuary by using Actuarial Technique. The calculation was made from determining the present value of future cash flows expected to be required to settle and determines discount rate by reference to market yield of government bonds should have terms to maturity approximately equal to the terms of such obligations. In determine the future cash flows expected to be required to settle is used from employees' salaries, turnover, length of services and other factors. Changes in actuarial gains or losses are recognized in the period in which they are incurred in other comprehensive income. Expenses related to employee benefits shall be recorded in profit or loss for sharing such expenses throughout the period of services rendering.

4.17 Income tax and deferred tax

4.17.1 Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income

- Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized that it is probable that they will not utilize in the foreseeable future.

4.17.2 Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.

4.17.3 In determining the amount of current and deferred tax, the Group take into account the impact of uncertain tax positions and whether additional taxes and interest may be settled. The Group believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.17.4 Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

4.18 Provisions

The Group recognize a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Group settle the obligation. The amount recognized should not exceed the amount of the provision.

4.19 Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

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

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

4.20 Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables and contract assets

In determining an allowance for expected credit losses of trade receivables and contract assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

Depreciation of plant and equipment / right-of-use assets

In determining depreciation of plant and equipment / right-of-use assets, the management is required to make estimates of the useful lives and residual values of the plant and equipment / right-of-use assets and to review estimate useful lives and residual values when there are any changes.

Allowance of impairment of assets

In testing of impairment of assets, the management requires to make judgment in estimating future cash flows or cash generating unit of assets including discount rate selection which are appropriate in calculating the valuation of that current cash flows.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4.21 Earnings per share

Basic earnings per share is determined by dividing the profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year.

5. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY

As described in notes 2.2.1 to the financial statements, during the current period, the Group has adopted financial reporting standard related to financial instruments and TFRS 16 Leases. The cumulative effect of initially applying this standard is recognised as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

	Consolidated financial statements (Baht)			
	December 31, 2019	Effects of		January 1, 2020
		TFRS 9	TFRS 16	
<u>Statement of financial position</u>				
Current investment	78,386,982.71	(78,386,982.71)	0.00	0.00
Trade and other current receivables	105,826,489.34	(516,879.94)	0.00	105,309,609.40
Unbilled service income	93,409,461.20	(93,409,461.20)	0.00	0.00
Contract assets	0.00	87,635,692.31	0.00	87,635,692.31
Other current financial assets	0.00	78,386,982.71	0.00	78,386,982.71
Property, plant and equipment	189,537,631.76	0.00	(9,333,910.66)	180,203,721.10
Right-of-use assets	0.00	0.00	9,333,910.66	9,333,910.66
Deferred tax assets	1,623,067.72	353,031.21	0.00	1,976,098.93
Unappropriated retained earnings	261,692,265.53	(5,937,617.62)	0.00	255,754,647.91

	Separate financial statements (Baht)			
	Effects of			
	December 31, 2019	TFRS 9	TFRS 16	January 1, 2020
<u>Statement of financial position</u>				
Current investment	64,805,372.06	(64,805,372.06)	0.00	0.00
Trade and other current receivables	104,806,106.45	(516,879.94)	0.00	104,289,226.51
Unbilled service income	93,606,133.34	(93,606,133.34)	0.00	0.00
Contract assets	0.00	87,832,364.45	0.00	87,832,364.45
Other current financial assets	0.00	64,805,372.06	0.00	64,805,372.06
Property, plant and equipment	187,721,672.92	0.00	(9,333,910.66)	178,387,762.26
Right-of-use assets	0.00	0.00	9,333,910.66	9,333,910.66
Deferred tax assets	1,620,205.22	353,031.21	0.00	1,973,236.43
Unappropriated retained earnings	252,069,010.98	(5,937,617.62)	0.00	246,131,393.36

Details of the effects to unappropriated retained earnings as at January 1, 2020 from the initial adoption financial reporting standards related to group of financial instruments are as follows :

	Consolidated and Separate financial statements (Baht)
Recognition of expected credit losses :	
Trade and other current receivables	516,879.94
Contract assets	5,773,768.89
Related tax expense	(353,031.21)
Total	<u>5,937,617.62</u>

As at January 1, 2020, classification and measurements of financial assets - as determined in TFRS 9 and the amounts based on the existed accounting principles are presented as follows :

	Consolidated financial statements (Baht)			
	Amounts from the existed accounting principles	Classification and measurement based on TFRS 9		
		Fair value through profit of loss	Amortized cost	Total
Financial assets				
Cash and cash equivalents	50,103,286.48	0.00	50,103,286.48	50,103,286.48
Trade and other current receivables	105,309,609.40	0.00	105,309,609.40	105,309,609.40
Contract assets	87,635,692.31	0.00	87,635,692.31	87,635,692.31
Other current financial assets	78,386,982.71	78,386,982.71	0.00	78,386,982.71
Total financial assets	<u>321,435,570.90</u>	<u>78,386,982.71</u>	<u>243,048,588.19</u>	<u>321,435,570.90</u>
Financial liabilities				
Trade and other current payables	54,815,106.14	0.00	54,815,106.14	54,815,106.14
Lease liabilities	3,593,285.91	0.00	3,593,285.91	3,593,285.91
Total financial liabilities	<u>58,408,392.05</u>	<u>0.00</u>	<u>58,408,392.05</u>	<u>58,408,392.05</u>
	Separate financial statements (Baht)			
	Amounts from the existed accounting principles	Classification and measurement based on TFRS 9		
		Fair value through profit of loss	Amortized cost	Total
Financial assets				
Cash and cash equivalents	44,487,687.86	0.00	44,487,687.86	44,487,687.86
Trade and other current receivables	104,289,226.51	0.00	104,289,226.51	104,289,226.51
Contract assets	87,832,364.75	0.00	87,832,364.75	87,832,364.75
Other current financial assets	64,805,372.06	64,805,372.06	0.00	64,805,372.06
Total financial assets	<u>301,414,651.18</u>	<u>64,805,372.06</u>	<u>236,609,279.12</u>	<u>301,414,651.18</u>
Financial liabilities				
Trade and other current payables	53,976,847.78	0.00	53,976,847.78	53,976,847.78
Lease liabilities	3,593,285.91	0.00	3,593,285.91	3,593,285.91
Total financial liabilities	<u>57,570,133.69</u>	<u>0.00</u>	<u>57,570,133.69</u>	<u>57,570,133.69</u>

6. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

6.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
Cash	1,349,968.42	1,371,215.40	1,394,739.30	1,315,155.54
Cash at bank - current accounts	1,545,533.66	1,540,551.36	34,000.00	34,000.00
Cash at bank - savings deposit	24,370,020.01	47,191,519.72	20,236,976.43	43,138,532.32
Total	<u>27,265,522.09</u>	<u>50,103,286.48</u>	<u>21,665,715.73</u>	<u>44,487,687.86</u>

6.2 Non-cash transaction

For the year 2020

Parent company

1) The Company entered into hire purchase vehicles agreement of Baht 7.72 million which was already made the initial installment in the amount of Baht 1.80 million. The remaining is presented as financial lease liabilities.

2) The Company has the outstanding for fixed assets acquisition amount of Baht 0.39 million which is presented as other current payables.

For the year 2019

Parent company

1) The Company entered into hire purchase vehicles agreement of Baht 4.88 million which was already made the initial installment in the amount of Baht 1.12 million. The remaining is presented as financial lease liabilities.

2) The Company has the outstanding for fixed assets acquisition amount of Baht 2.35 million which is presented as other current payables.

7. TRADE AND OTHER CURRENT RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
Trade accounts receivable	97,239,522.96	112,790,781.31	96,133,677.15	112,379,271.14
Other current receivables				
Retention receivable under				
contracts (Note 8)	10,779,219.13	0.00	10,779,219.13	0.00
Prepaid expenses	4,458,669.42	4,248,494.17	4,458,669.42	3,993,119.39
Others	5,367,053.32	5,995,291.93	4,564,613.38	5,641,793.99
Total	117,844,464.83	123,034,567.41	115,936,179.08	122,014,184.52
Less Allowance for expected credit loss				
- Trade accounts receivable	(18,814,503.60)	(17,208,078.07)	(18,814,503.60)	(17,208,078.07)
Net	99,029,961.23	105,826,489.34	97,121,675.48	104,806,106.45

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
Undue trade accounts receivable	45,753,736.41	75,418,954.34	45,235,765.91	75,417,946.34
Overdue trade accounts receivable				
- Less than 3 months	29,835,986.08	19,618,873.06	29,280,279.30	19,208,370.89
- Over 3 months to 6 months	2,454,186.14	574,052.50	2,437,392.61	574,052.50
- Over 6 months to 9 months	2,170,677.51	51,500.00	2,170,677.51	51,500.00
- Over 9 months to 12 months	78,000.00	105,743.36	78,000.00	105,743.36
- Over 12 months	16,946,936.82	17,021,658.05	16,931,561.82	17,021,658.05
Total	97,239,522.96	112,790,781.31	96,133,677.15	112,379,271.14

8. CONTRACT ASSETS/UNBILLED SERVICE INCOME

8.1 Balance under contracts

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
	Contract Assets	Unbilled service income	Contract Assets	Unbilled service income
Unbilled services income	71,136,215.38	93,485,259.00	70,702,726.38	93,681,931.14
Less Allowance for expected credit loss	(4,845,400.50)	(75,797.80)	(4,845,400.50)	(75,797.80)
Net	<u>66,290,814.88</u>	<u>93,409,461.20</u>	<u>65,857,325.88</u>	<u>93,606,133.34</u>
Retention receivable under contracts (Note 7, 17)	14,401,783.20	4,847,620.94	14,401,783.20	4,847,620.94
Less Allowance for expected credit loss	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)
Net	<u>10,779,219.13</u>	<u>1,225,056.87</u>	<u>10,779,219.13</u>	<u>1,225,056.87</u>

8.2 Revenues expected to recognize for incomplete performance obligations

As at December 31, 2020 and 2019, the Group expects to have revenues to be recognize in the future for incompleted performance obligations (or partial) of contracts with customers in the amount of Baht 106.98 million and Baht 148.63 million respectively (Separate : Baht 104.32 million and Baht 148.21 million respectively). The Group expects to satisfy this performance obligation to be completed within 1 year (Separate : 1 year).

9. OTHER CURRENT FINANCIAL ASSETS/CURRENT INVESTMENT

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
	Other current financial assets	Current Investment	Other current financial assets	Current Investment
Investment in open-end fund :-				
KTPLUS	87,763,792.44	21,048,213.58	87,763,792.44	7,466,602.93
TMBTHANAPLUS	0.00	36,350,777.17	0.00	36,350,777.17
KTSTPLUS - A	0.00	20,987,991.96	0.00	20,987,991.96
Cash at bank	8,000,000.00	0.00	8,000,000.00	0.00
Total	<u>95,763,792.44</u>	<u>78,386,982.71</u>	<u>95,763,792.44</u>	<u>64,805,372.06</u>

10.3 Statements of comprehensive income for the year ended December 31, 2020 and 2019 of discontinued operations

are as follows :

	Consolidated financial statements (Baht)	
	2020	2019
Total revenues	6,129,632.09	6,752,510.00
Total costs	(3,708,134.77)	(4,971,983.91)
Total other income	193,143.11	246,909.00
Total expenses	<u>(2,190,513.90)</u>	<u>(2,141,757.02)</u>
Gain (loss) before income tax	424,126.53	(114,321.93)
Tax expense	<u>(87,162.70)</u>	<u>0.00</u>
Profit (loss) for the year from discontinued operations	<u><u>336,963.83</u></u>	<u><u>(114,321.93)</u></u>
Basic earnings (loss) per share	3.29	(1.12)

10.4 Statements of cash flows for the year ended December 31, 2020 and 2019 of discontinued operations are as follows :

	Consolidated financial statements (Baht)	
	2020	2019
Net cash provided by (used in) operating activities	2,938,568.12	(1,621,218.56)
Net cash provided by (used in) investing activities	10,500,796.37	(4,457,517.91)
Net cash provided by (used in) financing activities	<u>(9,000,000.00)</u>	<u>(20,283.00)</u>
Net increase (decrease) in cash and cash equivalents	4,439,364.49	(6,099,019.47)
Cash and cash equivalents as at January 1	<u>3,859,566.53</u>	<u>9,958,586.00</u>
Cash and cash equivalents as at December 31	<u><u>8,298,931.02</u></u>	<u><u>3,859,566.53</u></u>

- 21 -

11. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital	Percentage of shareholding		Separate financial statements (Baht)					
				2020	2019	Cost price		Dividend received			
						2020	2019	2020	2019		
QLT International Company Limited	Providing material for engineering services, inspection	The Company held 99.99% share capital, has common director and management	10,250,000 Baht	99.99	99.99	10,249,385.00	10,249,385.00	8,999,460.00	0.00		
Qualitech Myanmar Company Limited	Providing safety engineering services in Myanmar and engage in relevant business	The Company held 80.00% share capital, has common director and management	150,000 USD	80.00	80.00	4,099,600.00	4,099,600.00	0.00	0.00		
Duwell Intertrade Company Limited	Sales of materials and equipment use in engineering services, inspection	The Company held 99.99% share capital, has common director and management	9,930,000 Baht	99.99	0.00	14,413,500.00	0.00	0.00	0.00		
Total								28,762,485.00	14,348,985.00	8,999,460.00	0.00
Less Transfer to assets classified as held for sale								(10,249,385.00)	0.00	0.00	0.00
Net								18,513,100.00	14,348,985.00	8,999,460.00	0.00

11.1 According to the minutes of the Board of directors' meeting No. 6/2020 held on August 12, 2020, passed the resolution to dissolve the operation of subsidiary (QLT International Co., Ltd.). The management of the Company believe that the subsidiary will be able to liquidate the dissolution to be completed in the year 2020. The Company has reclassified investment in such subsidiary to present as assets classified as held for sale. On November 17, 2020, the subsidiary has already registered the dissolution which is currently awaiting for approval the liquidation from the government agency.

11.2 On January 3, 2020, the Company entered into agreement to purchase of ordinary shares of Duwell Intertrade Co., Ltd. from the shareholders of such company in compliance with the Board of directors' meeting No. 6/2019 held on November 9, 2019, approved to purchase ordinary shares of such company for 1,000 shares (at par value of Baht 1,000.00 each) equivalent to 100% of total share capital in the price of Baht 5,500 each total amount of Baht 5.50 million. On February 11, 2020, the Company has fully made payment for such share capital and sold 3 shares to the Company's director total amount of Baht 0.02 million.

11.3 On September 21, 2020, Duwell Intertrade Co., Ltd. has registered the increase share capital from Baht 1 million to Baht 20 million (divided into 20,000 ordinary shares at par value of Baht 1,000 each) and called for and received the increase share capital payment amount of Baht 8.93 million (equal to 47% of the increased share capital).

11.4 The financial statements for the year ended December 31, 2020 and 2019 of above subsidiaries have been taken for preparing the consolidated financial statements were audited by the auditor.

12. PROPERTY, PLANT AND EQUIPMENT

	Consolidated financial statements (Baht)										
	Land	Building	Building improvement	Building	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
Assets - cost :											
As at December 31, 2018	47,981,180.48	56,851,858.52	19,970,710.31	10,685,051.74	183,917,053.68	15,434,913.64	2,226,683.78	59,748,840.18	12,946.48	396,829,238.81	
Acquisition	0.00	0.00	0.00	279,838.34	25,674,959.60	2,141,743.86	0.00	5,591,608.41	795,417.00	34,483,567.21	
Disposal	0.00	0.00	0.00	(150,049.61)	(4,478,002.04)	(1,136,878.89)	0.00	(6,025,394.51)	0.00	(11,790,325.05)	
Inter-transaction transfer	0.00	0.00	0.00	19,043.48	0.00	0.00	0.00	0.00	(19,043.48)	0.00	
As at December 31, 2019	47,981,180.48	56,851,858.52	19,970,710.31	10,833,883.95	205,114,011.24	16,439,778.61	2,226,683.78	59,315,054.08	789,320.00	419,522,480.97	
Effects from accounting policy (note 5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10,519,196.27)	0.00	(10,519,196.27)	
As at January 1, 2020	47,981,180.48	56,851,858.52	19,970,710.31	10,833,883.95	205,114,011.24	16,439,778.61	2,226,683.78	48,795,857.81	789,320.00	409,003,284.70	
Acquisition	0.00	0.00	303,360.55	343,084.94	16,635,693.96	1,859,523.14	0.00	727,645.64	4,757,505.00	24,626,813.23	
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,970,000.00	0.00	1,970,000.00	
Disposal	0.00	0.00	0.00	(247,181.37)	(8,867,286.39)	(2,130,003.10)	0.00	(3,200,225.22)	(125,000.00)	(14,569,696.08)	
As at December 31, 2020	47,981,180.48	56,851,858.52	20,274,070.86	10,929,787.52	212,882,418.81	16,169,298.65	2,226,683.78	48,293,278.23	5,421,825.00	421,030,401.85	
Accumulated depreciation :											
As at December 31, 2018	0.00	17,767,118.88	5,159,433.31	8,909,978.75	136,405,541.04	12,428,653.40	1,614,856.89	31,929,133.57	0.00	214,214,715.84	
Depreciation for the year	0.00	2,842,592.43	1,076,540.89	741,223.29	17,670,117.71	1,782,947.90	187,111.56	2,061,421.02	0.00	26,361,954.80	
Depreciation - write off	0.00	0.00	0.00	(148,634.70)	(4,173,995.97)	(1,100,864.88)	0.00	(5,168,325.88)	0.00	(10,591,821.43)	
As at December 31, 2019	0.00	20,609,711.31	6,235,974.20	9,502,567.34	149,901,662.78	13,110,736.42	1,801,968.45	28,822,228.71	0.00	229,984,849.21	
Effects from accounting policy (note 5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,185,285.61)	0.00	(1,185,285.61)	
As at January 1, 2020	0.00	20,609,711.31	6,235,974.20	9,502,567.34	149,901,662.78	13,110,736.42	1,801,968.45	27,636,943.10	0.00	228,799,563.60	
Depreciation for the year	0.00	2,842,591.72	997,678.94	661,830.76	19,145,909.50	1,664,271.24	187,111.52	1,227,965.52	0.00	26,727,359.20	
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	739,830.61	0.00	739,830.61	
Depreciation - write off	0.00	0.00	0.00	(215,559.90)	(7,536,577.24)	(1,981,605.57)	0.00	(2,747,052.93)	0.00	(12,480,795.64)	
As at December 31, 2020	0.00	23,452,303.03	7,233,653.14	9,948,838.20	161,510,995.04	12,793,402.09	1,989,079.97	26,857,686.30	0.00	243,785,957.77	
Net book value											
As at December 31, 2019	47,981,180.48	36,242,147.21	13,734,736.11	1,331,316.61	55,212,348.46	3,329,042.19	424,715.33	30,492,825.37	789,320.00	189,537,631.76	
As at December 31, 2020	47,981,180.48	33,399,555.49	13,040,417.72	980,949.32	51,371,423.77	3,375,896.56	237,603.81	21,435,591.93	5,421,825.00	177,244,444.08	

12. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Separate financial statements (Baht)							Total		
	Land	Building	Building improvement	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system		Vehicles	Assets under construction
Assets - cost :										
As at December 31, 2018	47,981,180.48	56,851,858.52	19,686,565.78	10,625,441.82	182,059,140.00	15,059,225.43	2,226,683.78	57,961,840.18	12,946.48	392,464,882.47
Acquisition	0.00	0.00	0.00	278,248.34	25,505,711.13	2,130,164.42	0.00	5,591,608.41	795,417.00	34,301,149.30
Disposal	0.00	0.00	0.00	(150,049.61)	(4,299,574.06)	(1,050,427.31)	0.00	(4,827,394.51)	0.00	(10,327,445.49)
Inter-transaction transfer	0.00	0.00	0.00	19,043.48	0.00	0.00	0.00	0.00	(19,043.48)	0.00
As at December 31, 2019	47,981,180.48	56,851,858.52	19,686,565.78	10,772,684.03	203,265,277.07	16,138,962.54	2,226,683.78	58,776,054.08	789,320.00	416,438,586.28
Effects from accounting policy (note 5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10,519,196.27)	0.00	(10,519,196.27)
As at January 1, 2020	47,981,180.48	56,851,858.52	19,686,565.78	10,772,684.03	203,265,277.07	16,138,962.54	2,226,683.78	48,206,857.81	789,320.00	405,919,390.01
Acquisition	0.00	0.00	303,360.55	298,741.00	15,482,410.93	1,739,153.40	0.00	277,813.12	4,757,505.00	22,858,984.00
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,970,000.00	0.00	1,970,000.00
Disposal	0.00	0.00	0.00	(191,576.25)	(7,021,562.25)	(1,874,355.87)	0.00	(2,611,225.22)	(125,000.00)	(11,823,719.59)
As at December 31, 2020	47,981,180.48	56,851,858.52	19,989,926.33	10,879,848.78	211,726,125.75	16,003,760.07	2,226,683.78	47,843,445.71	5,421,825.00	418,924,654.42
Accumulated depreciation :										
As at December 31, 2018	0.00	17,767,118.88	4,978,066.45	8,872,519.35	136,116,859.56	12,128,746.38	1,614,856.89	31,440,262.96	0.00	212,918,430.47
Depreciation for the year	0.00	2,842,592.43	981,835.85	730,381.13	17,321,961.15	1,752,711.27	187,111.56	1,939,895.95	0.00	25,756,489.34
Depreciation - write off	0.00	0.00	0.00	(148,634.70)	(4,108,907.31)	(1,032,643.66)	0.00	(4,667,820.78)	0.00	(9,958,006.45)
As at December 31, 2019	0.00	20,609,711.31	5,959,902.30	9,454,265.78	149,329,913.40	12,848,813.99	1,801,968.45	28,712,338.13	0.00	228,716,913.36
Effects from accounting policy (note 5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,185,285.61)	0.00	(1,185,285.61)
As at January 1, 2020	0.00	20,609,711.31	5,959,902.30	9,454,265.78	149,329,913.40	12,848,813.99	1,801,968.45	27,527,052.52	0.00	227,531,627.75
Depreciation for the year	0.00	2,842,591.72	989,607.31	653,980.60	18,813,156.48	1,627,872.24	187,111.52	1,171,831.95	0.00	26,286,151.82
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	739,830.61	0.00	739,830.61
Depreciation - write off	0.00	0.00	0.00	(170,704.10)	(6,675,193.00)	(1,737,614.30)	0.00	(2,596,514.78)	0.00	(11,180,026.18)
As at December 31, 2020	0.00	23,452,303.03	6,949,509.61	9,937,542.28	161,467,876.88	12,739,071.93	1,989,079.97	26,842,200.30	0.00	243,377,584.00
Net book value										
As at December 31, 2019	47,981,180.48	36,242,147.21	13,726,663.48	1,318,418.25	53,935,363.67	3,290,148.55	424,715.33	30,013,715.95	789,320.00	187,721,672.92
As at December 31, 2020	47,981,180.48	33,399,555.49	13,040,416.72	942,306.50	50,258,248.87	3,264,688.14	237,603.81	21,001,245.41	5,421,825.00	175,547,070.42

12.1 Tools and technical equipment as at December 31, 2020 and 2019 are as follows :

(Unit : Baht)

Depreciation method	Cost	Accumulated depreciation	Net cost
<u>As at December 31, 2020</u>			
Straight-line method	121,302,522.32	(79,625,552.34)	41,676,969.98
Double-declining balance method	91,579,896.49	(81,885,442.70)	9,694,453.79
Total	212,882,418.81	(161,510,995.04)	51,371,423.77

(Unit : Baht)

Depreciation method	Cost	Accumulated depreciation	Net cost
<u>As at December 31, 2019</u>			
Straight-line method	108,629,451.48	(67,704,097.64)	40,925,353.84
Double-declining balance method	96,484,559.76	(82,197,565.14)	14,286,994.62
Total	205,114,011.24	(149,901,662.78)	55,212,348.46

Depreciation for the year ended December 31, 2020 and 2019 were Baht 19.14 million and Baht 17.67 million respectively.

12.2 As at December 31, 2020 and 2019, land and building at cost of Baht 36.94 million and Baht 36.43 million in the consolidated and separate financial statements are mortgaged as collateral against overdrafts line amount of Baht 30 million and letter of guarantee line amount of Baht 30 million.

13. RIGHT-OF-USE ASSETS

	Consolidated and Separate financial statements (Baht)
	<u>Vehicles</u>
Assets - cost :	
As at December 31, 2019	0.00
Effects from accounting policy (note 5)	<u>10,519,196.27</u>
As at January 1, 2020	10,519,196.27
Acquisition	7,722,738.34
Transfer to property, plant and equipment	<u>(1,970,000.00)</u>
As at December 31, 2020	<u>16,271,934.61</u>
Accumulated depreciation :	
As at December 31, 2019	0.00
Effects from accounting policy (note 5)	<u>1,185,285.61</u>
As at January 1, 2020	1,185,285.61
Depreciation for the year	902,225.34
Transfer to property, plant and equipment	<u>(739,830.61)</u>
As at December 31, 2020	<u>1,347,680.34</u>
Net book value	
As at December 31, 2019	<u>0.00</u>
As at December 31, 2020	<u>14,924,254.27</u>

As at September 30, 2020 vehicles at cost of Baht 16.27 million in the consolidated and separate financial statements which is still pending the payment under the leases (note 19).

14. GOODWILL

14.1 On January 3, 2020, the Company entered into agreement to acquire ordinary shares of Duwell Intertrade Co., Ltd. from the shareholders of such company in accordance with the resolution of the Board of directors' meeting No. 6/2019 held on November 9, 2019 passed to acquire ordinary shares of such company for 1,000 shares (at par value of Baht 1,000.00 each) equal to 100% of total shares in the price of Baht 5,500.00 each, total amount of Baht 5.50 million.

14.2 During the 1st quarter of 2020, the Company has paid for the acquisition of such company ordinary share and offered such ordinary shares to the management for 3 shares of Baht 5,500.00 each, total amount of Baht 0.02 million.

14.3 Fair value and book value of net assets of Duwell Intertrade Co., Ltd. as at the acquisition date are as follows :

	(Unit : Baht)	
	Fair value	Book value
Assets		
Cash and cash equivalents	1,605,405.38	1,605,405.38
Trade and other current receivables	1,963,409.62	1,963,409.62
Inventories	1,625,450.00	1,001,140.87
Equipment	45,592.57	45,592.57
Non-current tax assets	22,833.70	264,732.84
Total assets	5,262,691.27	4,880,281.28

	(Unit : Baht)	
	Fair value	Book value
Liabilities		
Trade and other current payable	129,853.39	129,853.39
Short-term borrowings	2,900,000.00	2,900,000.00
Non-current provisions for employee benefit	1,591,754.00	0.00
Total liabilities	4,621,607.39	3,029,853.39
Total net assets	641,083.88	1,850,427.89
Percentage of investment (%)	99.70	
Net assets in investment proportion	639,160.63	
Acquisition price higher than net assets	4,844,339.37	
Acquisition price	5,483,500.00	
Less : Cash and cash equivalents	(1,605,405.38)	
Net payment for acquisition	3,878,094.62	

Details of acquisition price for Duwell Intertrade Co., Ltd. are as follows :

	(Unit : Baht)
Acquisition price	
Payments	5,483,500.00
Fair value of net assets acquired	(639,160.63)
Goodwill	<u>4,844,339.37</u>

15. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

	Consolidated and	
	Separate financial statements (Baht)	
	2020	2019
	<u>Computer software</u>	
Intangible assets - cost :		
Beginning balance	3,929,898.96	3,706,098.96
Increase	680,000.00	223,800.00
Disposal	<u>(19,939.91)</u>	0.00
Ending balance	<u>4,589,959.05</u>	<u>3,929,898.96</u>
Accumulated amortization :		
Beginning balance	1,910,482.13	1,519,694.91
Amortization for the year	<u>419,449.55</u>	<u>390,787.22</u>
Ending balance	<u>2,329,931.68</u>	<u>1,910,482.13</u>
Net intangible assets value		
Beginning balance	<u>2,019,416.83</u>	<u>2,186,404.05</u>
Ending balance	<u>2,260,027.37</u>	<u>2,019,416.83</u>

16. DEFERRED TAX ASSETS

Consolidated financial statements (Bahr)								
	As at December 31, 2018		As at December 31, 2019		As at January 1, 2020		As at December 31, 2020	
	Recognize as (expenses) income in profit or loss (Note 23.2)	other comprehensive income (Note 23.4)	Recognize as (expenses) income in profit or loss (Note 23.2)	other comprehensive income (Note 23.4)	Recognize as (expenses) income in profit or loss (Note 23.2)	other comprehensive income (Note 23.4)	Recognize as (expenses) income in profit or loss (Note 23.2)	other comprehensive income (Note 23.4)
Trade accounts receivable (allowance for expected credit loss)	239,152.37	0.00	184,509.64	0.00	213,516.94	0.00	157,426.67	0.00
Contract assets (allowance for expected credit loss)	0.00	0.00	0.00	0.00	324,023.91	0.00	21,356.24	0.00
Other non-current assets (provision for impairment)	11,295.27	0.00	0.00	0.00	0.00	0.00	210.42	0.00
Provisions for employee benefit	1,041,198.51	194,898.78	1,438,558.08	194,898.78	1,438,558.08	40,602.48	483,742.14	40,602.48
Deficit from operations	0.00	0.00	0.00	0.00	0.00	0.00	134,255.62	0.00
Total	1,291,646.15	194,898.78	1,623,067.72	194,898.78	1,976,098.93	40,602.48	796,991.09	40,602.48
Separate financial statements (Bahr)								
	As at December 31, 2018		As at December 31, 2019		As at January 1, 2020		As at December 31, 2020	
	Recognize as (expenses) income in profit or loss (Note 23.2)	other comprehensive income (Note 23.4)	Recognize as (expenses) income in profit or loss (Note 23.2)	other comprehensive income (Note 23.4)	Recognize as (expenses) income in profit or loss (Note 23.2)	other comprehensive income (Note 23.4)	Recognize as (expenses) income in profit or loss (Note 23.2)	other comprehensive income (Note 23.4)
Trade accounts receivable (allowance for expected credit loss)	239,152.37	0.00	184,509.64	0.00	213,516.94	0.00	157,426.67	0.00
Contract assets (allowance for expected credit loss)	0.00	0.00	0.00	0.00	324,023.91	0.00	21,356.24	0.00
Other non-current assets (provision for impairment)	11,295.27	0.00	0.00	0.00	0.00	0.00	210.42	0.00
Provisions for employee benefit	1,038,336.01	194,898.78	1,435,695.58	194,898.78	1,435,695.58	40,602.48	461,337.41	40,602.48
Total	1,288,783.65	194,898.78	1,620,205.22	194,898.78	1,973,236.43	40,602.48	640,330.74	40,602.48

17. OTHER NON-CURRENT ASSETS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
Deposit receivable under contract	3,622,564.07	4,847,620.94	3,622,564.07	4,847,620.94
Others	331,165.55	348,762.62	1,494,025.55	348,762.62
Total	3,953,729.62	5,196,383.56	5,116,589.62	5,196,383.56
Less Allowance for expected credit loss	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)
Less Provisions for impairment of assets	(2,952.17)	(7,139.24)	(2,952.17)	(7,139.24)
Net	328,213.38	1,566,680.25	1,491,073.38	1,566,680.25

18. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
Trade accounts payable	9,693,615.33	17,833,725.85	10,297,867.07	17,150,952.78
Other current payables				
Accrued expenses	18,894,301.13	30,127,676.53	18,455,076.87	29,973,602.99
Assets payables	387,623.30	2,351,467.87	387,623.30	2,351,467.87
Others	3,954,387.50	4,502,235.89	3,701,579.25	4,500,824.14
Total	32,929,927.26	54,815,106.14	32,842,146.49	53,976,847.78

19. LEASE LIABILITIES

19.1 Lease liabilities excluded future interest expenses as follows :

	Consolidated and Separate	
	financial statements (Baht)	
	2020	2019
Hire purchase payable	9,536,206.00	5,930,810.00
Less Future interest expenses of financial lease	<u>(504,688.69)</u>	<u>(393,070.86)</u>
Total	9,031,517.31	5,537,739.14
Less Current portion of long-term liabilities	<u>(3,003,458.44)</u>	<u>(1,944,453.23)</u>
Net	<u><u>6,028,058.87</u></u>	<u><u>3,593,285.91</u></u>

19.2 The Group's right-of-use assets at cost are being made the payment under the aforementioned lease as follows:

	Consolidated and Separate	
	financial statements (Baht)	
	2020	2019
Vehicles	<u>16,271,934.61</u>	<u>10,519,196.27</u>

20. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

20.1 The Group had an employee benefit obligation based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service and long-term service awards.

20.2 The defined benefit plans expose the Company and subsidiaries to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

20.3 Non-current provisions for employee benefit in statement of financial position are as follows:

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2020	2019	2020	2019
Beginning balance	25,601,271.67	14,288,934.55	25,582,601.17	14,274,622.03
Recognized in other comprehensive income				
Losses on remeasurment				
of defined benefit plan	569,619.53	3,472,893.41	569,619.53	3,472,893.41
Recognized in profit or loss				
Increment costs under new Labour				
Protection Act	0.00	5,600,408.40	0.00	5,600,408.40
Current service costs and interest	2,928,015.04	2,239,035.31	2,820,349.37	2,234,677.33
Employee benefits decrease	(1,789,132.00)	0.00	(1,789,132.00)	0.00
Ending balance	27,309,774.24	25,601,271.67	27,183,438.07	25,582,601.17

On April 5, 2019, new Labour Protection Act was published in the Royal Gazette which will become effective after 30 days from the date of its publication in the Royal Gazette onwards which determined the additional rate of severance pay in the case of termination of employment for a terminated employee who has worked for 20 consecutive years or more and shall be entitled to receive payment not less than the last rate of wages for 400 days.

20.4 Principal actuarial assumptions at the reporting date are as follows:

	Consolidated		Separate	
	financial statements (%)		financial statements (%)	
	2020	2019	2020	2019
Discount rate	1.50	1.76	1.50	1.76
Salary increase rate	3 - 4.5	3 - 4	3 - 4.5	3 - 5

20.5 Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2017 ("TMO17").

20.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

	Consolidated financial statements (Baht)			
	2020		2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1,942,341.81)	2,129,482.98	(1,929,344.00)	2,137,959.00
Salary increase rate (0.5% movement)	1,893,279.02	(1,749,608.27)	2,050,625.00	(1,861,416.00)
Turnover rate (10% movement)	(1,745,699.20)	1,952,961.78	(1,965,203.00)	2,221,970.00

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

21. LEGAL RESERVE

By virtue of the Public Company Limited Act, the Company is required to set aside the reserve as a legal reserve at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve reach 10% of authorized share capital. The reserve is not available for dividend distribution.

22. DIVIDEND PAID

For the year 2020

Parent company

According to the minutes of Board of directors' meeting No. 3/2020 held on March 31, 2020, unanimously passed the resolution to indefinitely postpone the 2020 Annual General Meeting of shareholders which will be held on April 9, 2020 caused by the Coronavirus disease 2019 (COVID-19) pandemic situation which is unpredictable and is not looking up at this moment, and unanimously passed to pay interim dividend to the shareholders at the existing rate of Baht 0.30 per share, totally Baht 29.57 million. The payment of dividend is determined on April 29, 2020. After the reporting period, in accordance with the Annual General Meeting of the shareholders for the year 2020 held on July 15, 2020, passed the resolution to pay dividend to the shareholders in compliance with the resolution of the aforementioned Board of directors' meeting.

According to the minutes of the Board of directors' meeting No. 6/2020 held on August 12, 2020, passed to approve the interim dividend payment from profit for the six-month periods of 2020 to the shareholders at Baht 0.05 per share, totally Baht 4.93 million. The dividend payment will be made on September 8, 2020.

Subsidiaries

According to the minutes of the Board of directors' meeting No. 3/2020 held on September 8, 2020, passed to approve the interim dividend payment to shareholders at Baht 45 per share, totally Baht 9 million. The subsidiary has paid such dividend on September 10, 2020.

For the year 2019

Parent company

According to the annual general shareholders' meeting for the year 2019 held on April 3, 2019, the shareholders passed the resolution to pay dividend from profit for the year 2018 to the shareholders at Baht 0.25 per share, total amount of Baht 24.64 million in which the Company has fully paid such dividend on April 26, 2019 and paid interim at Baht 0.05 per share total amount of Baht 4.93 million on September 6, 2019, total dividend payment amount of Baht 29.57 million.

23. INCOME TAX

23.1 The calculation of current income taxes

For the year 2020 and 2019, the Company and its subsidiaries calculated corporate income tax at the rate of 20% of profit (loss) before deducting with tax expenses for the year and added back other expenses which shall not be allowed as expenses in tax calculation (if any) except the exempted profit derived from promoted activities (note 28).

23.2 Income tax recognized in profit or loss

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2020	2019	2020	2019
Current income tax				
For the current year	1,005,321.59	3,834,922.32	908,100.64	3,834,922.32
Deferred tax				
Changes in temporary differences	(796,991.09)	(136,522.79)	(640,330.74)	(136,522.79)
Total	208,330.50	3,698,399.53	267,769.90	3,698,399.53
Income tax from discontinued operations	(87,162.70)	0.00	0.00	0.00
Total tax expense	121,167.80	3,698,399.53	267,769.90	3,698,399.53

23.3 Reconciliation for effective income tax rate

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
Profit (loss) before income tax from				
Continuing operations	31,397,447.79	54,659,030.94	40,876,283.34	55,119,751.18
Discontinued operations	424,126.53	(114,321.93)	0.00	0.00
Profit before income tax	31,821,574.32	54,544,709.01	40,876,283.34	55,119,751.18
Income tax rate (%)	20	20	20	20
Income tax	6,364,314.86	10,908,941.80	8,175,256.67	11,023,950.24
Prohibited taxable expenses	508,434.46	1,574,230.50	172,631.43	1,459,222.06
Additional taxable expenses	(756,777.71)	(298,034.72)	(372,585.09)	(298,034.72)
Exempted income	0.00	0.00	(1,799,892.00)	0.00
Promoted profit	(5,907,641.11)	(8,486,738.05)	(5,907,641.11)	(8,486,738.05)
Total income tax	208,330.50	3,698,399.53	267,769.90	3,698,399.53
Income tax rate (%)	1	7	1	7

23.4 Income tax recognized in other comprehensive income

	Consolidated and Separate financial statements (Baht)	
	2020	2019
Losses on remeasurement of defined benefit plans	569,619.53	3,472,893.41
Tax income	(40,602.48)	(194,898.78)
Net of tax	529,017.05	3,277,994.63

24. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

Part of the Group's assets, liabilities, revenues and expenses arose from transaction with persons and related parties.

Those transactions are based on the conditions as the group of companies concerned and in the normal course of business as detailed following :

24.1 General information

Name	Relationship	Description	Pricing policy
Subsidiary			
QLT International Company Limited	The Company held 99.99%	Income - sale of material	At agreed price
	share capital, has common	Income - rental	At agreed price
	director and management	Income - management service fee	At agreed price
		Materials supply	At agreed price
Qualitech Myanmar Company Limited	The Company held 80%	Income - wages	Close to market value
	share capital, has common	Income - management service fee	At agreed price
	director and management	Income - rental	At agreed price
Duwell Intertrade Company Limited	The Company held 99.99%	Lending	At the interest rate
	share capital, has common		of 5.50% per annum
	director and management	Income - wages	Close to market value
		Income - rental	At agreed price
		Income - management service fee	At agreed price
		Income - materials supply	At agreed price
		Materials supply	Close to market value
	Contractor wages	Close to market value	

24.2 Assets and liabilities transaction with related persons and parties are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2020	2019	2020	2019
QLT International Company Limited				
Trade and other current receivables	0.00	0.00	60,000.00	34,800.00
Contract assets	0.00	0.00	0.00	28,037.38
Trade and other current payables	0.00	0.00	32,153.50	276,885.00
Qualitech Myanmar Company Limited				
Trade and other current receivables	0.00	0.00	197,803.09	9,542.00
Contract assets	0.00	0.00	355,000.00	517,042.00
Duwell Intertrade Company Limited				
Trade and other current receivables	0.00	21,658.16	105,569.03	21,658.16
Contract assets	0.00	14,018.69	4,800.00	14,018.69
Trade and other current payables	0.00	92,460.67	1,281,094.96	92,460.67

The increase and decrease of short-term loans are as follows :

	<u>Separate financial statements (Baht)</u>
Balance as at December 31, 2019	0.00
Additional loans during the period	3,000,000.00
Proceeds during the period	<u>(3,000,000.00)</u>
Balance as at December 31, 2020	<u><u>0.00</u></u>

24.3 Revenues and expenses transaction with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
QLT International Company Limited				
Revenue - sales	0.00	0.00	6,760.00	0.00
Other income - rental	0.00	0.00	44,859.80	53,831.76
Other income - management fee	0.00	0.00	336,448.56	280,373.83
Cost of sales and services - material				
supply	0.00	0.00	1,534,984.00	4,605,912.00
Administrative expenses - material				
supply	0.00	0.00	22,815.00	0.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	414,500.00	2,631,040.00
Other income - management fee	0.00	0.00	297,115.61	36,195.00
Other income - tools rental	0.00	0.00	26,000.00	40,000.00
Duwell Intertrade Company Limited				
Service income - wages	0.00	0.00	20,000.00	0.00
Other income - rental	0.00	202,611.11	196,387.77	202,611.11
Other income - management fee	0.00	0.00	373,831.76	0.00
Other income - material supply	0.00	0.00	206,364.82	0.00
Other income - interest received				
from loans	0.00	0.00	87,698.63	0.00
Cost of sales and services - material				
supply	0.00	4,008,175.00	5,885,481.00	4,008,175.00
Cost of sales and services - contractor				
wages	0.00	0.00	18,200.00	0.00

25. DIRECTORS' REMUNERATION

Directors' remuneration represent the benefits paid to the Company's directors in accordance with section 90 of the Public Companies Act, excluding salaries and related benefits payable to executive directors.

26. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses relating salaries, remunerations and other benefits paid to the directors and management, in accordance with the definitions of the Office of Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels. Some of management benefit expenses are included in cost of services.

27. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2020	2019	2020	2019
Changes in inventories	(766,422.30)	0.00	0.00	0.00
Employee benefit expenses	237,577,326.01	248,595,861.74	233,397,976.20	247,147,131.25
Depreciation	27,287,663.95	25,865,502.33	27,190,281.20	25,756,489.34
Supplies used	26,313,102.98	29,000,439.52	33,678,370.61	33,304,087.10
Contractor wage	32,545,518.66	45,262,264.55	32,556,289.03	45,190,183.01
Travelling and accommodation expenses	7,957,858.81	12,844,599.45	7,668,221.18	11,614,759.30
Office expenses	10,076,790.88	9,438,004.31	9,918,395.81	9,339,576.55
Fee and consulting fee	3,772,477.62	3,135,960.52	3,511,700.35	2,991,179.84
Repairs and maintenance expenses	3,055,349.66	3,974,683.37	3,036,932.39	3,936,914.41
Directors' remuneration	2,326,500.00	2,993,000.00	2,326,500.00	2,993,000.00
Management benefit expenses	20,251,522.50	21,781,360.22	19,936,522.50	21,781,360.22

28. PROMOTIONAL PRIVILEGES

28.1 The Group were granted certain right and privileges as a promoted industry under the Promotion of Investment Act B.E. 2520 and the Board of Investment approved the activities under six promotion certificate for services providing of testing of welding and metal identification as the scientific testing, the certificate No. 1 dated December 28, 2005, No. 2 dated June 18, 2007, No. 3 dated August 4, 2008, No. 4 dated March 4, 2013, No. 5 dated March 21, 2016 and No. 6 dated March 27, 2017. The significant privileges are as follows:

28.1.1 To exempt the customs duties for imported machinery as approved by the Board of Investment.

28.1.2 To exempt the corporate income tax from net profit for the period of 8 years from the date of income earnings derives from the promoted activity. In the case where a loss has been incurred during the period of receiving exemption, the annual loss was granted permission to deduct with net profit accrued after the expiration of the period of exemption of income tax for a period of 5 years.

28.1.3 The Company's shareholders will be exempted the corporate income tax for dividend received from the Company all duration of income tax exemption of the Company.

The Company must to comply with the certain conditions and terms as stipulated in promotional certificate.

28.2 The results of operation of the Group for the year ended December 31, 2020 and 2019 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2020	2019	2020	2019	2020	2019
Sales and services income	266,104,149.72	338,927,871.44	155,417,162.92	131,237,547.43	421,521,312.64	470,165,418.87
Cost of sales of services	(190,907,897.67)	(250,452,044.66)	(124,488,569.86)	(97,211,266.61)	(315,396,467.53)	(347,663,311.27)
Gross profit	75,196,252.05	88,475,826.78	30,928,593.06	34,026,280.82	106,124,845.11	122,502,107.60
Other income	297,637.66	117,816.25	2,734,922.68	3,293,104.71	3,032,560.34	3,410,920.96
Distribution costs	(6,609,134.13)	(4,421,892.94)	(4,654,404.20)	(1,772,101.94)	(11,263,538.33)	(6,193,994.88)
Administrative expenses	(40,206,986.20)	(45,685,319.02)	(25,537,148.10)	(18,780,509.06)	(65,744,134.30)	(64,465,828.08)
Profit from operating						
activities	28,677,769.38	38,486,431.07	3,471,963.44	16,766,774.53	32,149,732.82	55,253,205.60
Finance costs	(435,309.96)	(392,638.33)	(316,975.07)	(201,536.33)	(752,285.03)	(594,174.66)
Profit before income						
tax expense	28,242,459.42	38,093,792.74	3,154,988.37	16,565,238.20	31,397,447.79	54,659,030.94
Tax expense	0.00	0.00	(121,167.80)	(3,698,399.53)	(121,167.80)	(3,698,399.53)
Profit for the year from						
continuing operations	28,242,459.42	38,093,792.74	3,033,820.57	12,866,838.67	31,276,279.99	50,960,631.41
Profit (loss) for the year from						
discontinued operations	0.00	0.00	336,963.83	(114,321.93)	336,963.83	(114,321.93)
Profit for the year	28,242,459.42	38,093,792.74	3,370,784.40	12,752,516.74	31,613,243.82	50,846,309.48

Unidentifiable cost of sales and services, distribution costs, administrative expenses and finance costs were allocated to the separately income segment.

29. OPERATING SEGMENTS

29.1 Operating segment information is reported in a manner consistent with the internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance. The chief operating decision maker of the Company has been identified as the President of executive directors.

29.2 The Group' operations involve virtually in a single in services providing for nondestructive testing and inspect, testing and certification of welding work, metal work and equipment in both domestic and an overseas geographical segment since the overseas segment had services income less than 10% of services volume, therefore, the financial information by geographical segment has not been presented.

29.3 Revenues separated by nature of services are as follows:

	Consolidated financial statements	
	(Million Baht)	
	2020	2019
Non-Destructive Testing	184.80	198.52
Inspection and certificate	204.01	246.16
Others	32.71	25.48
Total	421.52	470.16

30. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

30.1 Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in notes to financial statements No. 4.14.

30.2 Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company. The Group has policy to hedge this credit risk by reviewing the financial status of customers and collecting based on the percentage of completion. Financial assets shown in statements of financial position at the book value deducted by allowance for expected credit loss is maximum value of credit risk.

30.3 Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Group operations and cash flows. The Group exposed the interest rate risk due to its deposits at bank and financial lease liabilities. The Group do not use derivative financial instruments to hedge such risk.

As at December 31, 2020 and 2019, the significant financial assets and liabilities can be classified by interest rate as follows :

Unit : Million Baht

Consolidated financial statements											
	Note	Floating interest rate		Fixed interest rate		Non-interest rate		Total		Interest rate	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Financial assets											
Cash and cash equivalents	6	24.37	47.19	0.00	0.00	2.90	2.91	27.27	50.10	0.05%-0.25%	0.13%-0.38%
Trade and other current receivables	7	0.00	0.00	0.00	0.00	99.00	105.83	99.00	105.83	-	-
Contract assets	8	0.00	0.00	0.00	0.00	66.29	93.41	66.29	93.41	-	-
Assets classified as held for sale	9	0.00	0.00	8.00	0.00	87.76	78.39	95.76	78.39	0.30%	-
Financial liabilities											
Trade and other current payables	18	0.00	0.00	0.00	0.00	32.87	54.82	32.87	54.82	-	-
Lease liabilities	19	0.00	0.00	9.54	5.93	0.00	0.00	9.54	5.93	0.00%-5.40%	3.97%-5.40%

Unit : Million Baht

Separate financial statements											
	Note	Floating interest rate		Fixed interest rate		Non-interest rate		Total		Interest rate	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Financial assets											
Cash and cash equivalents	6	20.24	43.14	0.00	0.00	1.43	1.35	21.67	44.49	0.05%-0.25%	0.13%-0.38%
Trade and other current receivables	7	0.00	0.00	0.00	0.00	97.12	104.81	97.12	104.81	-	-
Contract assets	8	0.00	0.00	0.00	0.00	65.86	93.61	65.86	93.61	-	-
Assets classified as held for sale	9	0.00	0.00	8.00	0.00	87.76	64.81	95.76	64.81	0.30%	-
Financial liabilities											
Trade and other current payables	18	0.00	0.00	0.00	0.00	32.84	53.98	32.84	53.98	-	-
Lease liabilities	19	0.00	0.00	9.54	5.93	0.00	0.00	9.54	5.93	0.00%-5.40%	3.97%-5.40%

30.4 Liquidity risk

The Group has liquidity risk management by maintaining adequate reserves cash and cash equivalents and high liquid investment in equity securities for the Group's operation and in order to reduce of effects from cash flows fluctuation.

As at December 31, 2020, the Group has the maturity details of non-derivatives financial liabilities which considered from undiscounted cash flows to be present value as follows:

	Consolidated financial statements (Baht)			
	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>Total</u>
Trade and other current payables	32,869,927.26	0.00	0.00	32,869,927.26
Lease liabilities	3,364,560.00	5,315,752.00	855,894.00	9,536,206.00
Total	<u>36,234,487.26</u>	<u>5,315,752.00</u>	<u>855,894.00</u>	<u>42,406,133.26</u>

	Separate financial statements (Baht)			
	<u>Less than 1 year</u>	<u>1 - 3 years</u>	<u>3 - 5 years</u>	<u>Total</u>
Trade and other current payables	32,842,146.49	0.00	0.00	32,842,146.49
Lease liabilities	3,364,560.00	5,315,752.00	855,894.00	9,536,206.00
Total	<u>36,206,706.49</u>	<u>5,315,752.00</u>	<u>855,894.00</u>	<u>42,378,352.49</u>

30.5 Fair value of financial instrument

The most of financial instruments of the Group are classified in short-term or has the interest rate closed to market rate. The Group, therefore, estimates fair value of financial instruments close to the carrying value as presented in statements of financial position.

31. HIERARCHY LEVELS OF FAIR VALUE

As at December 31, 2020, the Group presented carrying value of assets which measured at fair value separating by hierarchy of fair value as follows :

	Note	Consolidated and Separate financial statements (Baht)			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value					
Other current financial assets					
Investment in equity instruments	9	<u>87,763,792.44</u>	<u>0.00</u>	<u>0.00</u>	<u>87,763,792.44</u>

32. COMMITMENT AND CONTINGENT LIABILITIES

32.1 As at December 31, 2020 and 2019, the Group has commitment under purchase and hire agreement with several seller in the amount of Baht 22.30 million and Baht 13.56 million respectively in the consolidated financial statements and in the amount of Baht 21.56 million and Baht 13.56 million in the separate financial statements respectively.

32.2 The subsidiary has commitment under lease office building agreement as at December 31, 2019 for the amount of Baht 0.02 million.

32.3 The Group has contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Group and guarantee the electricity usage to government agency, as at and December 31, 2020 and 2019 total amount of Baht 22.60 million and Baht 19.84 million in the consolidated financial statements and Baht 22.60 million and Baht 19.77 million in the separate financial statements respectively. Contingent liabilities are guaranteed by mortgaging land with its construction (note 12) and bank deposits.

33. PROVIDENT FUND

On February 8, 2006, the Group has joined to be a member of provident fund named "K Master Pooled Registered Provident fund" which registered in accordance with the Provident Fund Act B.E. 2530 and the amendment by appointing the fund management to be fund manager. The fund is contributed to both by the employees and the Group at the same rate of 3-9% based on length of works. The accumulation and benefits will be paid to the members upon their retirement, death or resignation.

This fund is managed by Kasikorn Thai Assets Management Company Limited. For the year 2020 and 2019, the Group has contribution expenses in the amount of Baht 3.40 million and Baht 3.31 million respectively.

34. CAPITAL MANAGEMENT

The objective of financial management of the Group is to preserve the ability to continue its operation as a going concern and the capital structure to be properly appropriated.

35. EVENTS AFTER THE REPORTING PERIOD

According to the minutes of Board of directors' meeting No. 3/2021 held on February 20, 2021, passed the resolution to submit to the shareholders' general meeting for approval the dividend payment from profit for the year 2020 to the shareholders at Baht 0.25 per share, amounting to Baht 24.64 million.

36. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 20, 2021.

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