



บริษัท ควอลลิเทค จำกัด (มหาชน)

Qualitech Public Company Limited

Annual Registration Statements/Annual Report 2021 (Form 56-1 One Report)



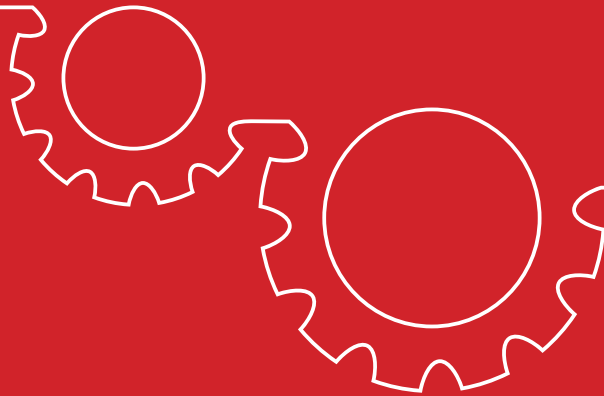
Your integrated inspection solution provider

Qualitech Public Company Limited



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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.

❖ Company Information

Company Name	Qualitech Public Company Limited.
Set Symbol	QLT
Registered Capital	98,568,485 Baht with 98,568,485 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)	50, Soi Pattanakarn 57, Prawet, Bangkok 10250 Tel. (+66) 2116-9294 Fax. (+66) 2722-1132
Branch Office (2)	83/50 Moo 10, Nongkham, Si Racha, Chonburi 20230 Tel. (+66) 3300-5161 to 3 Fax. (+66) 3300-5164

Remark : Branch office location, Ban Bueng District, Chonburi Province, has been closed since October 2021.

Investor Relation

Tel : 0-3869-1408-10 Fax: 0-3869-2028

E-mail : info@qualitechplc.com

Registrar

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The Stock Exchange of Thailand Building 14th
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Authorized Auditor

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Head Office

Address of Head Office

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Mueang, Rayong 21150

Tel. (+66) 3869-1408 to 10 Fax. (+66) 3869-2028



Branch Office (1)

Address of Branch Office (1) 1/37 Moo 1, Nongchak, Banbueng, Chonburi 20170
Tel. (+66) 3810-9651 to 2 Fax. (+66) 3810-9653



Branch Office (2)

Address of Branch Office (2) 50, Soi Pattanakarn 57, Prawet, Bangkok 10250

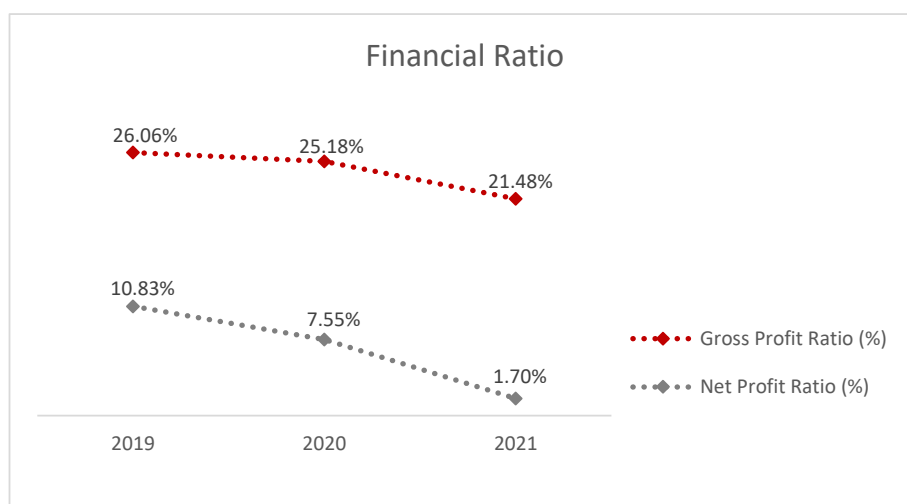
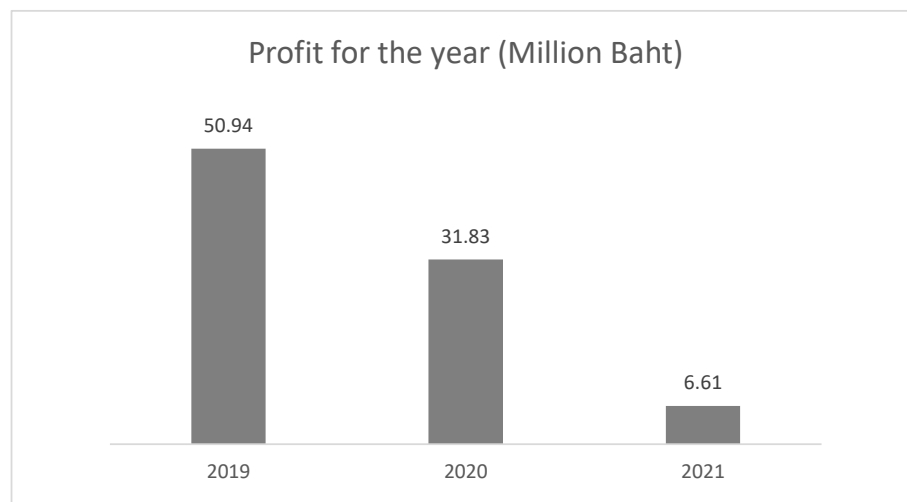
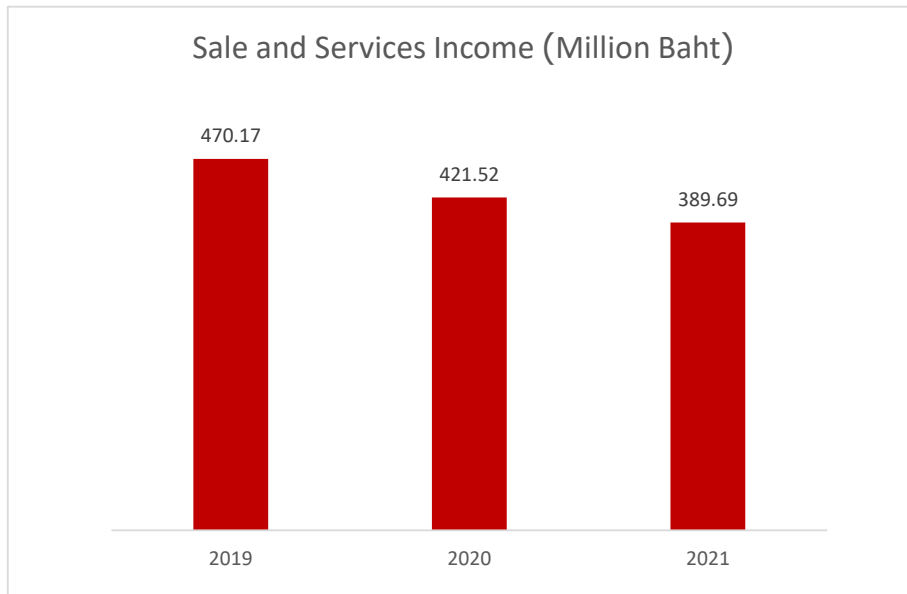
Tel. (+66) 2116-9294 Fax. (+66) 2722-1132

❖ Financial Summary

	31 December	31 December	31 December
	2021	2020	2019
Statements of Comprehensive Income (Million Baht)			
Sale and services income	389.69	421.52	470.17
Cost of sale and services and Distribution Cost and Administrative expenses	385.69	393.15	418.91
Gross Profit	83.70	106.12	122.51
Net Profit	6.61	31.83	50.94
Statements of Financial Position (Million Baht)			
Total Assets	506.88	516.70	542.45
Total Liabilities	69.73	69.55	85.95
Total Shareholders' Equity of the parent company	433.36	447.33	456.46
Financial Ratio			
Gross Profit Ratio (%)	21.48	25.18	26.06
Net Profit Ratio (%)	1.70	7.55	10.83
Return on Equity (%)	1.50	7.04	11.39
Return on Total Asset (%)	1.29	6.01	9.91
Debt to Equity Ratio (times)	0.16	0.16	0.19
Earnings Per Share			
Net Profit Per Share (Baht)*	0.067	0.32	0.52
Book Value Per Share (Baht)	4.40	4.54	4.63

* Number of shares outstanding computed using weighted average method

❖ Financial Highlights





Message from Board of Directors

Dear shareholders and related persons

2021 was an extremely difficult year for Qualitech Public Company Limited having faced the high market volatility brought about by price competition in the Company's core services in testing, inspection and certification, and with the situation still seemingly persisting. This could be attributed to a prolonged slowdown in the domestic oil and gas as well as petrochemical industries compounded by the COVID-19 pandemic whose impacts have spilled over from 2019 and deepened and which are likely to become increasingly protracted. Worse still, the COVID-19 second wave in Rayong which raged in the area where most of Qualitech's clients were located caused some of the Company's businesses to come to a grinding halt for the year, resulting in a significant decline in the Company's major source of revenue and a series of losses for several quarters. In response, the Company took multiple measures to strictly control costs and streamline organizational structure. Central to these were shutting down the Branch Office in Ban Bueng, Chonburi and relocating the downsized workforce to the Si Racha Branch Office and the Head Office in Rayong. The tank cleaning business which has been offered for a few years is now expected to be discontinued.

On the other end, Qualitech Myanmar Co.,Ltd (QLTM), one of Qualitech's subsidiaries, was hit even harder. Aside from the profound impact of the COVID-19 crisis which made it nearly impossible to operate the business, the country has remained mired

in political conflict after the military coup, adversely affecting investment and business operations. A number of oil and gas projects were halted while some foreign companies pulled out of Myanmar. The turmoil prompted QLTM to downsize workers and control costs in response to the dwindling service work.

For investment in other businesses in 2021, Qualitech established QSE Co.,Ltd to produce and distribute electricity in the form of a power purchase agreement (PPA) by installing solar rooftops for clients. However, the COVID-19 business impact stalled the presentation of the service to clients and their decision making as a consequence.

Duwell Intertrade Co.,Ltd (DWI), a subsidiary involved with selling tools and consumables for testing and inspection, on the other hand, registered higher-than-expected profits in 2021.

For 2022, the Company, has sets its sights on giving top priorities to providing Non-Destructive Test (NDT) services to major clients including contractors for production and refinery modules and heat exchangers, which have high potential growth for the export market in the next several years by leveraging the strategy to sustain the quality of work to meet the standards and address the demands of customers. Added to this is developing employees to have more diverse capabilities and achieve international professional certifications to better accommodate customers' application needs. As for inspection and certification, price competition is expected to be more intense, prompting the Company to rightsize its workforce and focus on tapping customers interested more in quality and service than pricing. Plant inspection service has shown signs of returning to pre-COVID-19 levels with steadily-growing demand for the service. The Company's emphasis will be on clients looking for diverse and integrated solutions.

For the operational plan of QLTM in Myanmar, Qualitech plans to rightsize its service in response to the market for the oil and gas industry and keep abreast of the investment momentum in the industry, which is anticipated to have potential to grow like in Thailand. Certain large Thai oil and gas companies plan to invest heavily in constructing oil and gas storage tanks, transportation pipelines, power plants, and others with total investment of tens of billion baht.

In 2022, Qualitech aims to diversify its business to generate income and sustainable business growth. This runs parallel to raising the awareness of each and every employee to strictly uphold the corporate value of "Reliability, Safety, and Quality" to provide maximum service value for clients.

On behalf of the Board of Directors, executives, and employees, I would like to extend my sincere gratitude to all shareholders, customers, patrons, business partners, and stakeholders for their continued trust and support which has empowered Qualitech Public Company Limited to become a high potential and competitive company and rise to prominence as Thailand's leader in testing and inspection business in the coming years.



(Mr. Somyos Jiamjirangkorn)
Chairman of the Board of Directors



(Mr. Sannpat Rattakham)
Chairman of the Executive Committee

❖ Outlook for the Non-Destructive Testing Market

Market Competition in 2021 and Trends in 2022

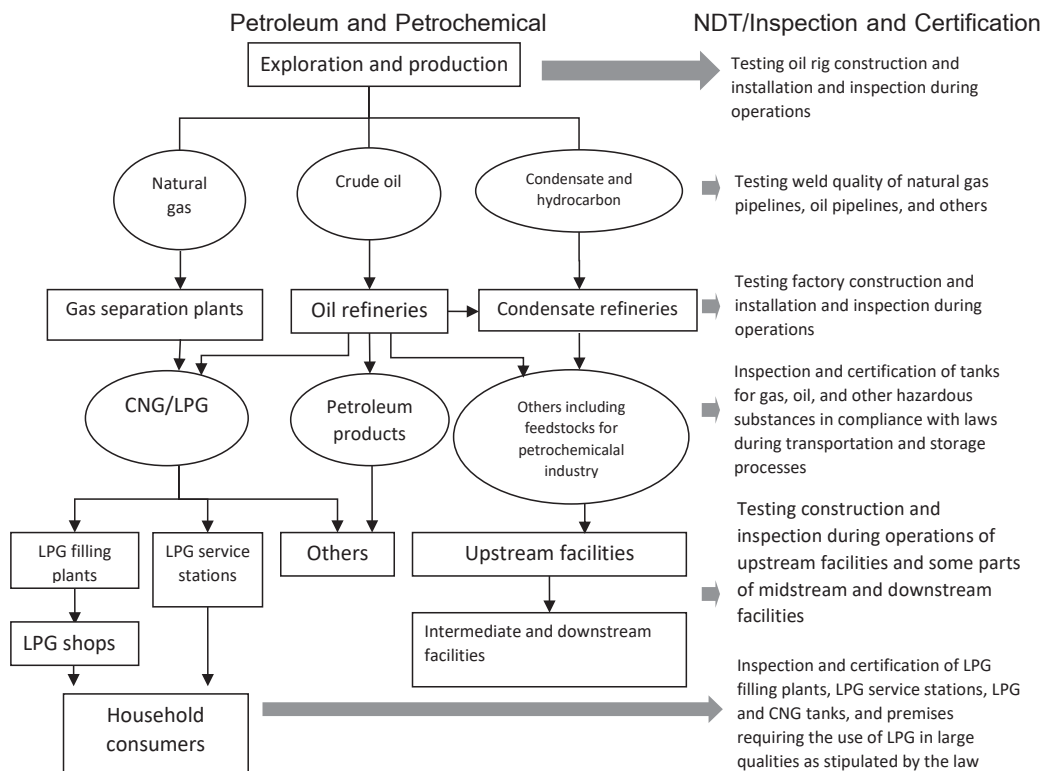
Non-Destructive Testing is adopted to ensure the safety and efficiency of equipment or structures in a diverse range of industries. The Non-Destructive Testing service tends to grow in line with technological advancement. It is evident that today's technologies, particularly the basic infrastructure that plays a key role in people's daily life, have been developed continuously to address ever-emerging needs. However, with the benefits that come with more sophisticated technology, additional risks follow. Even a small flaw or failure can cause irreparable catastrophe, resulting in the increasingly vital role of control and inspection to ensure safety. Increasing industries in developed countries are deploying Non-Destructive Testing such as energy, construction, agriculture, and medicine among many others. Things around us like bridges, high-rise buildings, elevators, theme park rides and attractions also employ Non-Destructive Testing to ascertain they are safe for operation.

In Thailand, nevertheless, the deployment of Non-Destructive Testing is limited to certain industries as is quality control. Since the Non-Destructive Testing cost is considered an extra cost for production, the industries adopting the testing are those demanding high safety or required by law such as energy, petrochemical, and construction especially for steel-reinforced structures, for example, high-rise buildings, bridges, and other basic infrastructures as failures can cause disastrous harm to people and properties.

It is anticipated that the potential growth of Non-Destructive Testing business in Thailand rests chiefly with the energy industry. The interconnection between non-destructive testing and the energy industry is demonstrated in the following diagram:

NDT/Inspection and Certification services are instrumental to testing the quality

Interconnection between NDT/Inspection and Certification with the Petroleum and Petrochemical Industry



of the energy supply process, encompassing exploration and production through to the household end users. The services thereby tend to grow in line with the petroleum and petrochemical industries, which is a major advantage since both industries are sustainable and grow alongside economic expansion. In addition, the government has given greater importance to safety standards at the household level as evidenced by the imposition of laws to enforce inspection of LPG cylinders and other LPG/CNG-related equipment, chemical barrels, and pressure containers. Despite the law, some entrepreneurs fail short of complying with the safety standards. With provision of knowledge and strict law enforcement, NDT/Inspection services are anticipated to grow by leaps and bounds.

NDT/Inspection and Certification is a specialized business that provides mission-critical services to clients, particularly those in the energy and petrochemical businesses, which require the inspection and certification of factories and equipment on a regular basis in accordance with safety standards and as prescribed by law, resulting in most of the Company's customer base being regular customers. However, the highly intense market competition, which had downward pressure on services prices, coupled with the

prolonged COVID-19 pandemic which caused more infections and spread faster, prevented the Company from providing regular services to customers. Worse still, some clients halted or postponed their plans, significantly reducing the Company's volume of work. In 2021, the Company recorded several quarters of loss, and the industry is expected to experience a slowdown with possible modest growth in 2022. The situation has prompted the Company to adjust its strategies together with reducing costs and diversifying into other businesses to generate more revenue streams.

Regulations relevant to safety control in the oil and gas industries

LPG:

- Gas separation plants, LPG service stations, and premises requiring the use of LPG must possess a permit and schedule an inspection for a renewal of an operating permit every year. An inspection/certification must be carried out for any new construction and for every five years.

CNG:

- CNG service stations and premises requiring the use of CNG such as power plants and industrial plants must possess a permit and schedule an inspection for a renewal of an operating permit every year. An inspection/certification must be carried out for any new construction and for every five years.

Above-ground storage tanks:

- Large above-ground storage tanks must be externally inspected every year and internally inspected every 15 years. Apart from the laws to control safety of oil and gas storage premises, utilization, and transportation, the government sector also gives importance to the safety of storage and transportation of hazardous substances, prescribing that the barrels or transporters of hazardous substances be inspected every three and six years in compliance with international standards.

Petrochemical Industry Outlook

The petrochemical industry is a related industry of oil and gas production. The manufacturing process for petrochemicals can be classified into 3 stages:

- Upstream petrochemical industries use gas, petroleum, or oil products to produce olefins or aromatics through the refining processes, which include separation, cracking, and treatment.

- Intermediated petrochemical industries use upstream products to produce plastic resins and other synthetic compounds.

- Downstream petrochemical industries use intermediate products to process

into finished goods for other related industries such as packaging, electrical appliances, automotive parts, etc.

NDT/Inspection and Certification are directly related to the upstream and intermediate petrochemical industries because high pressure tanks, and tanks for storing hazardous and corrosive chemicals are used in their production process, which requires plant shutdown inspection in accordance with the maintenance standards. Investment expansion of the petrochemical industry can, therefore, contribute to the growth of the NDT/Inspection and Certification business.

Also, the declaration of Map Ta Phut and its surrounding industrial area as a pollution control zone will raise environmental awareness of petrochemical entrepreneurs and spur demand for inspection to control pollution in their plants. This favors the Company's business which is keen to offer petrochemical pipe and valve leak testing and inspection with Advanced NDT equipment.

Demand and Provision of Electricity

Although electricity generation is less complicated than the petroleum and petrochemical production processes, it also requires NDT/Inspection and Certification. The services are mostly commissioned by newly established coal-fired and gas-fired power plants, which demand inspection of boilers, steam piping systems, and natural gas pipelines, respectively. Having been on the Approved Vendor Lists of the Electricity Generating Authority of Thailand, Gulf Energy Development Public Company, and Ratchaburi Electricity Generating Holding PCL enables Qualitech to provide constant inspection services to these power plants and to nurture opportunities to grow in line with the expanding electricity generation business.

Market Competition

Despite the relatively intense competition in the domestic market, Qualitech has managed to maintain its customers, thanks to the rigorous quality control in compliance with safety standards, and good customer relationships. For foreign competitors, most of whom offer Non-Destructive Testing using Advanced NDT techniques, their services are still limited due to the higher costs compared to those of local service providers. At present, the number of companies using the Advanced NDT techniques is smaller than those using conventional NDT techniques because of their higher costs. Qualitech thus figures that the entrance of foreign competitors will help pave the way for the Advanced NDT service in Thailand, enabling various businesses to realize the benefits and value of this technology, making it more popular in the future.

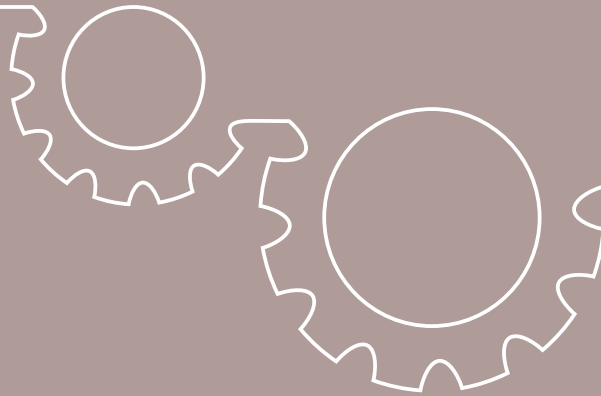
Qualitech has no policy to compete directly with foreign service providers but will partner with multiple multinational companies to provide Advanced NDT service. At the same time, the Company resolves to learn new technologies from its strategic allies to develop its services and create future competitive edges.

One key advantage of the NDT business is the potential to provide testing to address customers' diverse application needs and offer reliable results to ensure safety backed by the Company's highly skilled personnel, cutting-edge tools and equipment, and prompt service. With many years of experience and expertise, the Company is well-equipped to keep ahead of the competition with the following distinctive edges:

- Being one of the market leaders with a 30% market share of the total market.
- Providing integrated services, especially the inspection/certification service backed by the largest number of personnel in this area who are capable of offering the services for all types of projects as stipulated by relevant laws.
- Continuous provision of the inspection/certification service due to the continued use of the service by existing customers.
- Offering a value-added service to customers by processing the standard testing results into the formats that best answer customer demand and allow them to fully utilize the results.
- Having an extensive network of business partners. Some of the Company's key customers including exploration and production companies, oil and natural gas refineries, petrochemical facilities, and large construction contractors are all well-established and best known names, which helps create confidence among new customers in the quality of the Company's products and services.
- Featuring high safety standards in work performance under close supervision of a safety team, assuring customers of the high quality of the Company's service.
- Fully equipped with highly capable teams and adequate tools and equipment to provide services to large-scale projects efficiently.
- Granted multiple internationally-accepted quality certifications such as ISO9001 Quality Management System, ISO/IEC17020 requirements for the competence of the body performing inspection, ISO/IEC17025 Quality Certificate for testing laboratory, particularly for Non-Destructive Testing and Mechanical and Metallurgical Testing, and ISO45001 Occupational Health and Safety Management, etc.
- Granted investment promotional privileges from the Board of Investment (BOI)

Section 1

Business Operations and Performance



1. Organizational Structure and Operations

Background

Qualitech Public Company Limited was established on 11 February 1991 with a registered capital of 2,000,000 baht by Mr. Sannpat Rattakham and Mr. Somchaan Lubtikultham (currently Chairman of Executive Director and Director) to provide third-party safety engineering services in Non-Destructive Testing before expanding to inspection and certification service in the same year. The Company first received a qualification and competence certificate from the then Division of Fuels, Department of Public Works to perform testing and inspection of liquefied petroleum gas storage and distribution tanks, gas transportation tanks, gas pipeline system and equipment. More services have been added over the years.

At present, the Company's service portfolio encompasses Non-Destructive Testing, destructive testing, mechanical and metallurgical testing, inspection and certification, risk-based inspection (RBI), and providing opinions on safety in engineering as an independent expert to various organizations against international standards.

The relentless commitment to development resulted in Qualitech being the first company in Thailand to achieve the ISO/IEC 17025 certification for non-destructive testing and ISO/IEC 17025 for mechanical and metallurgical testing laboratory from the Thai Industrial Standards Institute. The Company also received ISO 9001 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management from BSI. Furthermore, Qualitech was granted licenses from key government agencies such as the Department of Energy Business, the Department of Industrial Works, and the Council of Engineers.

❖ Key Developments

1991

- The Company was established on 11 February 1991 with a registered capital of 2 million baht with the office in Bangkok.
- Received a qualification and competence certificate for inspecting LPG cylinders, gas storage and distribution tanks, gas transportation tanks, gas pipeline system and equipment as well as being qualified as a tester and inspector by the Department of Public Works (now the Department of Energy Business, Ministry of Energy).

1994

- Set up a branch office in Ban Bueng district, Chonburi to better serve clients in the eastern region.

1995

- Founded a branch office in Mueng district, Rayong province to provide services to clients in the Map Ta Phut Industrial Estate.

2001

- Increased the registered capital to 10 million baht to support workload and workforce expansion. The headquarters was relocated from Bangkok to Ban Bueng in Chonburi to serve customers in the nearby areas and to offer ample working space (now a branch office).

- Granted a License for Professional Practice No.0031/44 (Juristic Person) from the Council of Engineers.

2002

- Increased the registered capital to 20 million baht to expand business and to comply with the regulations required by the Department of Public Works for companies providing testing services for LPG tanks Type 1.

2004

- Established a branch office in Mueng district, Rayong province to serve customers in the fast-expanding Map Ta Phut Industrial Estate in Rayong.

2007

- Increased the registered capital to 50 million baht to expand Rayong office space to 4 rai. The office was set as the Company's new headquarters while the Ban Bueng office became a branch office.

- Registered as a public company on 12 December 2007.

- Granted the ISO 17025:2005 Quality Certificate for laboratory testing particularly for non-destructive testing, marking it the first in Thailand to achieve such certification.

2008

- Increased the registered capital from 50 million baht to 100 million baht.
- Granted the ISO 9001:2000 Internal Quality Management System Certificate on 31 January 2008.

2009

1. The company's common stocks were listed on the Market for Alternative Investment (MAI) on 9 June 2009.
2. Granted a license by the Department of Industrial Works as Thailand's first inspector of fire tube boilers and water tube boilers.

2011

- In September, the Company established two subsidiaries:
 - QLT International Co.,Ltd, which provides overseas safety engineering services and other related businesses with a registered capital of 5 million baht and Qualitech holding 99.99% of the registered capital.
 - Qualitech Myanmar Co.,Ltd, which provides safety engineering services and other related businesses with a registered capital of 2 million baht and Qualitech holding 50.99% of the registered capital.

2013

- Established a Bangkok branch office to expand working space.

2014

- Certified to extend the Company's certification services of non-destructive testing in accordance with ISO/IEC 17025 on 11 April 2014.

2015

- Certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption.
 - Received 3 SET Awards 2016 including Best CEO Award, Outstanding CEO Award, and Best Company Performance Award.
 - Set up a branch office in Si Racha district, Chonburi province to support the Company's service expansion and serve clients in Chonburi and its neighboring areas.

- Established a subsidiary, Qualitech Myanmar Company Limited (QLTM), in Myanmar in December to provide safety engineering services and other related businesses in Myanmar with a registered capital of 50,000 USD and Qualitech holding 80% of the registered capital.

2017

- Certified to Occupational Health and Safety Assessment Series (OHSAS 18001) on 10 July 2017 (changed to ISO 45001:2018 on 10 July 2020).

- Certified to extend the Company’s certification services of Mechanical and Metallurgical Testing Laboratory in accordance with ISO/IEC 17025 on 12 July 2017.

2019

- Accredited as “Green Industry” Level 2 by the Ministry of Industry to be part of the efforts to minimize environmental impacts together with business partners.

- Awarded a renewal of certification of membership of the Thai Private Sector Collective Action Coalition Against Corruption on 4 November 2019.

2020

- Incorporated Duwell Intertrade Co.,Ltd in January 2020 with an initial registered capital of 1,000,000 baht. It was later increased to 20,000,000 baht.

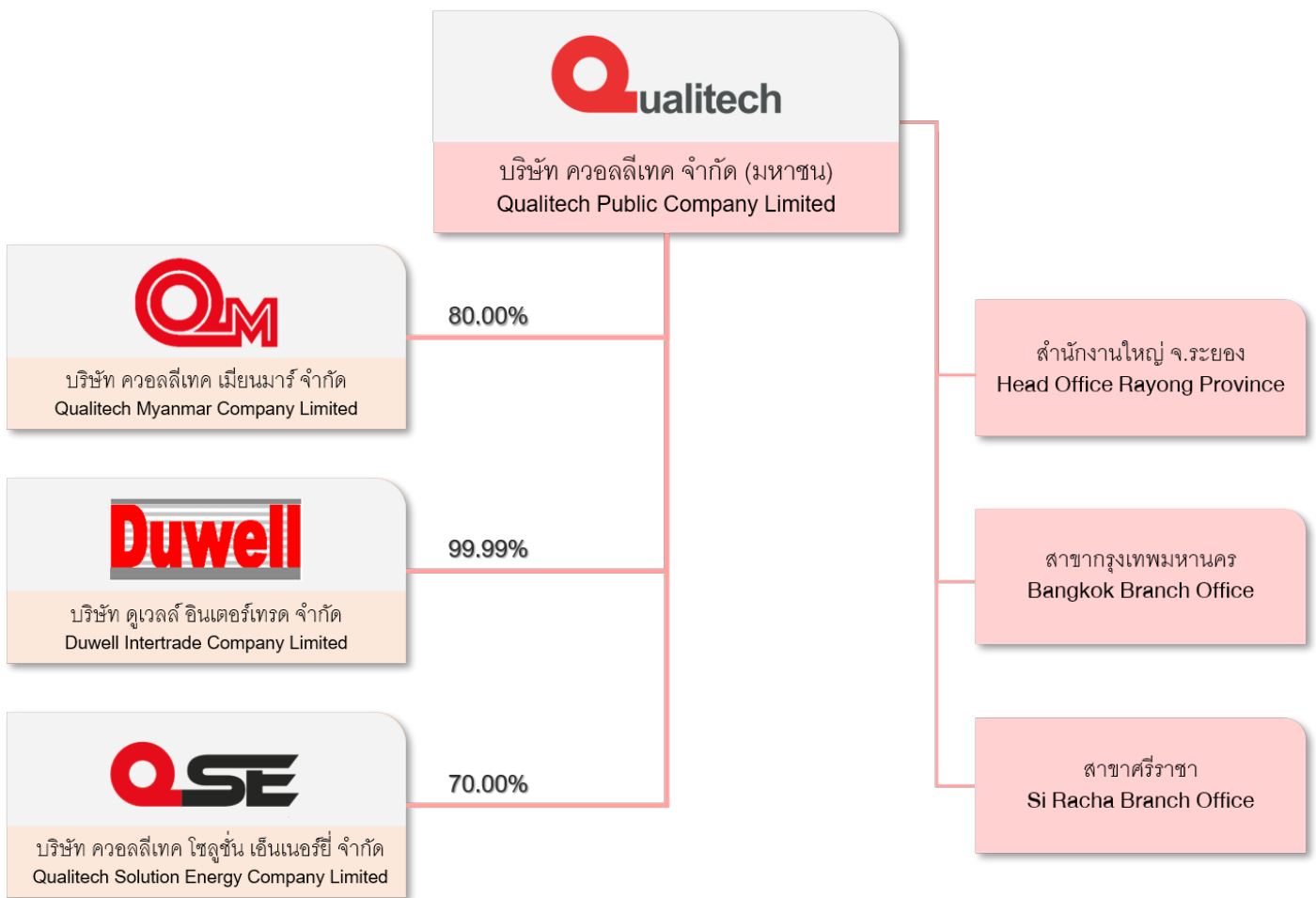
- Received Thailand’s Reputation Awards 2019 from the Faculty of Communication Arts, Chulalongkorn University on 28 October 2020.

- Dissolved a subsidiary, QLT International Co.,Ltd, in November 2020 without any impact on the Company’s operations.

2021

- Incorporated Qualitech Solution Energy Company Limited, a subsidiary, on 9 April 2021 to operate the business of producing and distributing electricity from solar power or other energy sources with the Company holding 70% of the registered capital.

❖ 1.1 Company Group's Shareholding Structure



Subsidiaries

Qualitech Plc. has 3 subsidiaries:

1. Qualitech Myanmar Co., Ltd.

Qualitech Plc. holds 80% of the total shares. QLTM has a registered capital of 200,000 USD, and paid up capital of 195,000 USD, and operates its business 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 QLTI which 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)

3. Qualitech Solution Energy Co., Ltd.

Qualitech Plc. holds 70% of QLTI which has a registered capital of 50,000,000 Baht and paid up capital of 12,500,000 Baht, and operates its business of producing and distributing electricity from solar power or other sources of energy.

❖ 1.2 Nature of business operations

Qualitech Public Company Limited primarily undertakes business operations relating to engineering services, including quality testing, inspection and assessment and the provision of independent expert advice to various organizations in line with international standards as specified by clients. Its operations comprise the following three business units.

1. Non - Destructive Testing. This involves the application of technological processes to identify material flaws and/or defects without causing damage to them, such as radiographic testing, ultrasonic testing, magnetic particle testing, liquid penetrant testing, and other cutting-edge technology.

2. Mechanical and Metallurgical Testing. This involves testing the physical and chemical properties of materials, such as tensile strength, compression and impact resistance, and metal microstructure, and the determination of chemical composition affecting the properties of metals in terms of strength and resistance to corrosion.

Qualitech Public Company Limited renders mechanical and metallurgical testing services to both local and overseas clients with its principal clientele being businesses

in the energy and petrochemical industries, including power plants, oil refineries, petrochemical plants, gas separation plants, gas bottling plants, and manufacturers and users of machinery, boilers, oil and hazardous chemical tanks, and pressure vessels that need to comply with the safety requirements required by law.

3. Inspection and Certification. This centers on the application of nondestructive methods for inspecting and reporting the conditions of materials to certify their functional suitability, including the inspection and certification of LPG cylinders, oil and gas pipeline systems, oil and chemical tanks, and boilers, in accordance with the relevant laws.

❖ 1.3 Revenue Structure

Unit : Million Baht

Type of Work	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Non-Destructive Testing	200.22	51.06	184.40	43.53	198.52	41.92
Inspection and Certification	154.55	39.41	204.01	48.06	246.17	51.98
Others Service and Sales	34.91	8.90	32.71	7.70	25.48	5.38
Others Revenue	2.43	0.63	3.03	0.71	3.41	0.72
Total	392.11	100.00	424.55	100.00	473.58	100.00

❖ 1.4 Types of services and service-related operations

Product and service characteristics

Qualitech Public Company Limited conducts business operations relating to the rendering of third-party engineering material testing, inspection, and certification services with the primary aim of evaluating and regulating the quality of machinery and equipment, particularly steel structures, from assembly through installation and use stages to ensure that the machinery and equipment will not break down or inflict damage causing disruption to production. Its operations comprise Non - Destructive Testing, inspection and certification, and mechanical and metallurgical testing, encompassing such materials as oil and hazardous chemical tanks, gas tanks, LPG/CNG pipeline systems, and boilers, including steam boilers, to name but a few.

Types of services

(1) Non-Destructive Testing

Non - Destructive Testing refers to a testing and analysis technique used to evaluate flaw and/or defects in materials or welds without causing damage and/or change in shape, size, and/or capacity to the original parts during the process by applying theoretical and practical foundations in physics pertaining to light, heat, radiation, and ultrasonic, electrical, and magnetic waves to identify existing flaws and/or defects. The purpose of Non-Destructive Testing is to identify and control the quality of machinery and equipment as well as steel structures, especially those involving high manufacturing costs, from pre- to in-service stages and/or during plant shutdowns to enhance their condition over their remaining useful life.

Some advantages of Non-Destructive Testing are as follows.

- Less waste. With Non-Destructive Testing, materials can still be used since they are not altered or damaged.
- Shorter downtime. With certain Non-Destructive Testing methods, materials can be tested even while in use.
- Identification of problems and prevention of failure. Since Non - Destructive Testing can be conducted to identify potential problems over the useful life of materials, it helps prevent failure and thus curb costly failing material repair and/or replacement.

- Field work applicability. The equipment used for Non-Destructive Testing is readily movable and thus suitable for field work.
- Enhanced processes. Non-Destructive Testing testing is beneficial for process improvement since it helps to identify areas of concern before they become problematic.
- Lower manufacturing costs. Less waste resulting from Non-Destructive Testing directly translates into lower manufacturing costs.

Non-Destructive Testing can be categorized into the following two types:

1) Conventional Non-Destructive Testing. This includes conventional methods that have long been applied to meet the relevant legal requirements and/or standards, such as radiographic testing and magnetic particle testing, among others.

2) Advanced Non-Destructive Testing. This involves the application of various types of more complex methods that enable more accurate and comprehensive results, such as digital radiography in place of the traditional film radiography and phased array ultrasonic testing instead of conventional ultrasonic testing. Due to current technological advances, businesses are faced with the pressure to embrace advanced Non-Destructive Testing.

As a leader in the industry, Qualitech Public Company Limited has diversified from providing conventional Non-Destructive Testing services to also rendering advanced Non-Destructive Testing services as tabulated below.

❖ Conventional NDT

Types of testing	Materials tested
<p>Radiographic testing</p> <p>Radiographic testing utilizes radioactive substances and/or X-ray technology to detect flaws and/or defects resting deep within welds and traces of corrosion on the opposite side and records the data on film radiographs.</p>	<p>Welds in various types of equipment in such facilities as oil refineries, petrochemical plants, pipelines, and power plants</p>
<p>Magnetic particle testing</p> <p>Magnetic particle testing applies magnetic induction to detect flaws and/or defects in material surfaces.</p>	<p>Welds and material surfaces in oil refineries, petrochemical plants, pipelines, power plants, metal structures, and so on</p>
<p>Liquid penetrant testing</p> <p>Liquid penetrant testing utilizes dye to detect surface flaws and/or defects in non-porous materials.</p>	<p>Welds and material surfaces in oil refineries, petrochemical plants, pipelines, food and pharmaceutical industries, and so on</p>
<p>Ultrasonic testing</p> <p>Ultrasonic testing identifies flaws and/or defects in material textures and welds as well as material thickness with ultrasonic waves.</p>	<p>Welds and material thickness and textures in oil refineries, petrochemical plants, pipelines, metal structures, and so on</p>
<p>Hardness testing</p> <p>Hardness testing determines the resistance of metal to permanent deformation or microstructural change due to use. This type of testing is beneficial for the design of pressure vessels and the inspection of boiler damage.</p>	<p>Materials and welds in equipment, boilers, and/or pipelines in such facilities as oil refineries, petrochemical plants, and power plants</p>
<p>Positive material identification testing</p> <p>Positive material identification testing helps to unravel the chemical compositions of industrial materials.</p>	<p>Materials and welds in equipment, boilers, and/or pipelines in such facilities as oil refineries, petrochemical plants, and power plants</p>
<p>Vacuum testing</p> <p>Vacuum testing detects seal cracks by employing a pressure differential technique.</p>	<p>Welds in oil and/or chemical tanks in such facilities as oil refineries, petrochemical plants, and tank or chemical farms.</p>

❖ Conventional NDT

Types of testing	Materials tested
<p>Holiday detection/pinhole testing</p> <p>Holiday detection or pinhole testing identifies discontinuities in painted/coated surfaces potentially causing contact with liquid and thus corrosion.</p>	<p>Painted/coated surfaces in pressure vessels and pipelines in such facilities as oil refineries and petrochemical plants</p>
<p>Magnetic field and permeability testing</p> <p>Magnetic field and permeability testing demonstrates changing metal properties.</p>	<p>Materials in such facilities as oil refineries and petrochemical plants</p>
<p>Replica testing</p> <p>Replica testing is carried out to analyze causes of damage to metal equipment and materials.</p>	<p>Equipment and materials in such facilities as oil refineries and petrochemical plants</p>
<p>Videoscope testing</p> <p>This type of testing utilizes a videoscope housing a tiny image sensor embedded into its tip to display the internal condition of hard-to-reach equipment and materials that are not clearly or directly visible.</p>	<p>Equipment and materials in such facilities as oil refineries, petrochemical plants, and power plants</p>
<p>Ferrite testing</p> <p>Ferrite testing measures the delta ferrite content in stainless steel and duplex stainless steel to determine their susceptibility to corrosion.</p>	<p>Materials and welds in pipelines, tanks, or vessels made from duplex stainless steel</p>

❖ Advanced NDT

Types of testing	Materials tested
<p>Internal rotating inspection system The internal rotating inspection system is used to accurately measure the condition of tiny tubes using ultrasonic pulses</p>	Heat exchangers in oil refineries, the petrochemical industry, the food industry, and so on
<p>Magnetic flux leakage Magnetic flux leakage is a magnetic method used to detect corrosion and pitting in carbon steel pipes.</p>	Heat exchangers in oil refineries, the petrochemical industry, the food industry, and so on
<p>Eddy current testing As its name suggests, this type of testing applies eddy currents to detect flaws and defects in nonmetallic materials, such as stainless and aluminum pipes.</p>	Heat exchangers in oil refineries, the petrochemical industry, the food industry, and so on
<p>Remote field eddy current testing Remote field eddy current testing determines flaws and defects in carbon steel pipes with eddy currents.</p>	Heat exchangers in oil refineries, the petrochemical industry, the food industry, and so on
<p>Eddy current array This extension of the conventional eddy current testing utilizes arrays of coils to make the assessment of metal and mixed-metal welds and materials more comprehensive, faster, and more accurate.</p>	Welds in pressure vessels in such facilities as oil refineries and petrochemical plants to identify cracks and corrosion
<p>Phased array ultrasonic testing Phased array ultrasonic testing employs a set of ultrasonic testing probes pulsed individually to make weld and material texture assessment more comprehensive, faster, and more accurate, generating more readable results that can be stored for further reference.</p>	Welds and metal textures in pressure vessels and oil and gas pipelines in such facilities as oil refineries and petrochemical plants
<p>Medium- and long-range ultrasonic testing Medium- and long-range ultrasonic testing detects material flaws and/or defects in areas that are not directly accessible.</p>	Parts of pipelines connected to the supports, underground pipelines, insulated pipelines, and/or smooth materials to identify corrosion, discontinuities, and cracks

❖ Advanced NDT

Types of testing	Materials tested
<p>Time-of-flight diffraction</p> <p>Drawing on an ultrasonic scattering technique, this is a highly accurate and reliable method for identifying the sizes and locations of defects.</p>	<p>Welds and metal textures in pressure vessels and oil and gas pipelines</p>
<p>Tank floor scanning</p> <p>Tank floor scanning uses magnetic fields to detect corrosion and pitting in large oil and/or chemical tank floors, allowing defect assessment in areas with poor visibility.</p>	<p>Large tank floors in such facilities as oil refineries and petrochemical plants</p>
<p>Computed radiography</p> <p>Computed radiography utilizes a phosphor imaging plate instead of the conventional x-ray film, enabling an immediate and clear image preview on a computer display and the storage of data in a digital format.</p>	<p>Welds in pressure vessels and oil and gas pipelines in such facilities as oil refineries and petrochemical plants to identify corrosion</p>
<p>Digital radiography</p> <p>Digital radiography, otherwise known as direct radiography, is a testing method that employs a sensitive plate to directly capture data and instantly transfers the data to a computer system, enabling an immediate preview of images and digital data storage.</p>	<p>Welds in pressure vessels and oil and gas pipelines in such facilities as oil refineries and petrochemical plants to identify corrosion</p>
<p>Pipeline in-line inspection</p> <p>Pipeline in-line inspection, otherwise known as intelligent pigging, utilizes magnetic fields and/or ultrasonic waves to gather data pertaining to corroded materials or other types of defects in underground or underwater pipelines.</p>	<p>Underground natural gas, LPG, and oil pipelines to identify corrosion</p>

The company provides Non-Destructive Testing services according to the standards set by the customers. to test the integrity of the installation or welding of the material It is critical in industries that require high security. especially in the energy and chemical industries such as the laying of natural gas pipelines. Pipeline and tank testing in refineries, gas separation plants, oil rigs, power plants, chemical plants and various food industries, etc.

Characteristics of the Company's customers. Most of them are contractors who want the company. Continuously test the quality of work during construction and project owners who use the service. for periodic quality testing by being a long-term contract The company has conducted an assessment of the satisfaction of every customer in terms of employee service, standard, quality, speed of service, safety, etc., and take advantage of customer feedback to improve service quality regularly. making it possible to maintain the existing customer base continuously as well as receiving continuous contact from new customers.

Non-Destructive Testing provides a standardized test report with evidence or supporting information, such as an X-ray film for radiographic testing. or computer reporting, for example, which is a report on the completeness or defect of a specimen according to the test results occurring according to standards that have been used or jointly defined. This is not a guarantee or guarantee of proper condition for use.

Non-Destructive Testing Standard test results will be reported with evidence or supporting information such as X-ray film for radiographic testing. or computer reporting, for example, which is a report on the completeness or defect of a specimen according to the test results occurring according to standards that have been used or jointly defined. This is not a guarantee or guarantee of proper condition for use.

❖ **Relevant international Non-Destructive Testing standards**

Non-Destructive Testing involves reporting actual material condition and/or flaws/defects and providing supplementary information and/or evidence, such as radiographic x-ray films and computer-generated images, in accordance with the relevant international standards and/or mutually determined criteria. Ultimately, it aims to prevent hazards potentially causing loss of life and property damage, particularly in large industries involving high-stake risks, such as the energy and petrochemical industries.

Therefore, for international credibility Non-Destructive Testing is therefore regulated according to standards set by various national associations or organizations, each of which has its own standards for Non-Destructive Testing methods. Examples of important foreign professional organizations or institutions that have established standards related to Non-Destructive Testing are as follows;

- American Society of Mechanical Engineers (ASME)
- American Petroleum Institute (API)
- American Welding Society (AWS)

- Pressure Equipment Directive 97/23/EC (PED)
- International Organization for Standardization (ISO)

Non-Destructive Testing is regulated through standards respectively established by major international and national agencies, such as the American Society of Mechanical Engineers, the American Petroleum Institute, the American Welding Society, and the International Organization for Standardization. In addition to testing standards, the qualifications, expertise, and certification of inspectors are also overseen by relevant regulatory bodies, including the American Society for Non-Destructive Testing, the Certification Scheme for Personnel, and the Personnel Certification for Non-Destructive Testing. For instance, the American Society for Non-Destructive Testing (ASNT) categorizes its certification programs into Level I, issued to personnel able to conduct testing and record testing results according to predetermined procedures, Level II, granted to personnel able to make judgments on testing results, and Level III, the highest level, awarded to personnel possessing knowledge of the technical principles underlying nondestructive testing and the ability to determine Non-Destructive Testing methods and procedures who are eligible to issue Level I and II certifications.

At present, Qualitech Public Company Limited has 249 certified personnel in total. Among these, 34, 211, and 4 passed the Level I, II, and III certification programs, respectively. The Company also continuously carries out capacity development to vigorously support its future business expansion and effectively respond to fast-paced technological advances.

(2) Mechanical and Metallurgical Testing

In mechanical and metallurgical testing, the mechanical and chemical properties of materials, such as tensile strength, compression and impact testing, metal microstructure testing, are evaluated. Also, the chemical composition affecting the properties of metals in terms of strength and corrosion resistance is determined.

Qualitech Public Company Limited provides mechanical and metallurgical testing services to both local and overseas clients, most notably businesses in the energy and petrochemical industries, including power plants, oil refineries, petrochemical plants, gas separation plants, gas bottling plants, and manufacturers and users of machinery, boilers, oil and hazardous chemical tanks, and pressure vessels that need to comply with the relevant legal requirements relating to safety.

(3) Inspection and Certification

Apart from Non-Destructive Testing, Mechanical and Metallurgical Testing, Qualitech Public Company Limited renders inspection and certification services. Working in tandem with clients, the Company plans material and equipment inspection procedures, conducts field testing, processes testing results in line with inspection procedures, and documents testing results accordingly to determine the extent of material and equipment compliance with the relevant engineering safety standards and legal requirements.

Qualitech Public Company Limited offers a vast array of inspection and certification services encompassing pre-, in-, and post-service stages for all types of materials and equipment, be they individual objects, such as gas tanks, or an entire facility. The clientele can be broadly categorized into the following two groups:

1. Clients who seek to have their materials and equipment inspected and certified to comply with the relevant legal requirements

2. Industrial plants requiring a high level of safety, such as oil refineries, gas separation plants, petrochemical plants, and oil and natural gas rig facilities, who wish to have their materials, equipment, and/or facilities inspected and certified in accordance with the relevant safety standards for production and maintenance

Qualitech Public Company Limited has successfully secured a loyal client base entering into a service agreement renewed on an annual basis with the Company, including such industry leaders as PTT Public Company Limited and Chevron Thailand Exploration and Production Company Limited. Additionally, the Company benefits from tremendous potential for business growth since all petrochemical materials, equipment, and facilities must comply with the relevant legal requirements and safety standards. The materials, equipment, facilities, and processes inspected and certified by the Company include, but are not confined to, the following:

- Pressure vessels and other types of chemical storage tanks used to store industrial gases, such as liquid nitrogen, liquid carbon dioxide, and liquid chlorine

- Fixed tanks used for the transportation of hazardous substances, which must meet the legal safety requirements stipulated by the Department of Energy Business of the Ministry of Energy and the Department of Industrial Works of the Ministry of Industry

- Large aboveground and underground storage tanks used to keep oil and/or chemical substances

- Fire-tube and water-tube boilers

- Welding procedure specification and qualification and welding operator qualification

- Tanks used for the storage and transportation of LPG
- Underground and underwater oil and gas pipelines

To respond adeptly to changes in the business and legal contexts and customer needs, Qualitech Public Company Limited is committed to staying abreast of the relevant laws relating to the control, safety, storage, transportation, and/or maintenance of hazardous substances and production equipment, such as fuels, chemicals, and storage tanks. Also, the Company includes various service offerings to ensure the safety of equipment crucial for production processes, such as quality testing, wear and tear assessment, and periodic dilapidation and useful life determination, all of which provide immensely beneficial information for clients aiding in, for example, equipment maintenance and overhaul planning and insurance coverage calculation. One of its exemplary safety assurance services is risk-based inspection, which helps enhance testing accuracy and reduce testing and insurance premium costs by determining the right testing frequency, procedures, and rigor.

Occupational accident insurance

Qualitech Public Company Limited has arranged a third-party occupational accident insurance policy covering both personal injury and property loss worth THB 70 million in total to mitigate the risk from onshore and offshore operations. The Company has also obtained a workman's compensation policy for coverage in the event of work-related injury from offshore operations.

Relevant certifications

Qualitech Public Company Limited's inspection and certification procedures comprise: 1) material and equipment inspection using a Non-Destructive Testing method, and 2) material and equipment certification in accordance with relevant legal requirements and safety standards. Since inspection, certification, and reporting constitute regulated engineering works, they can be conducted only by engineers granted a license for practice at the professional level or above from the four levels stipulated by

- Adjunct engineer
- Associate engineer
- Professional engineer
- Senior professional engineer (the highest level),

Each of which is licensed to practice regulated works, types, and sizes in the field of engineering as specified by the Council of Engineers in accordance with the Ministerial Regulations No. 3 and 4 dated B.E. 2508 (1965), issued under the Engineering Profession Act B.E. 2505 (1962) and the Engineering Act B.E. 2542 (1999). Also, inspection, certification, and reporting can be carried out only by companies successfully obtaining a license from relevant regulatory bodies, such as the Department of Energy Business, the Department of Industrial Works, and the Office of Atoms for Peace.

As of December 31, 2021, Qualitech Public Company Limited had sufficient licensed personnel for the testing, inspection, and certification of all types of operations as required by law. However, the Company still presses ahead with running capacity development programs for its testing, inspection, and certification staff on a regular basis to be able to provide even more comprehensive services to clients and ensure readiness for future business expansion and growth. The details pertaining to the certifications obtained by the Company are summarized in the table below.

❖ Certifications obtained

Certifying agencies	Certifications	Scopes	License commencement dates	License expiration dates
The Department of Energy Business	Level III Tester and Inspector	Testing and inspection of oil storage tanks	June 14, 2021	June 14, 2024
	Tester and Inspector of Type I LPG Storage Tanks, Gas Storage and Distribution Tanks, and Gas Pipeline Systems and Equipment	Testing and inspection of Type I LPG storage tanks, gas storage and distribution tanks, and gas pipeline systems and equipment	August 20, 2021	August 20, 2024
	Testing and Inspection Engineer of Type I Natural Gas Facilities	Testing and inspection of natural gas storage, distribution, and transportation tanks, as well as natural gas pipeline systems and equipment	May 1, 2019	March 23, 2023
	Testing and Inspection Engineer of Natural Gas Storage, Distribution, and Transportation Tanks, and Natural Gas Pipelines and Equipment (Tor Chor/tRor 1)	Testing and inspection of natural gas storage, distribution, and transportation tanks, as well as natural gas pipeline systems and equipment	November 8, 2021	October 18, 2024

❖ Certifications obtained

Certifying agencies	Certifications	Scopes	License commencement dates	License expiration dates
	Electrical System Inspector of Natural Gas Facilities	Inspection of electrical systems	September 20, 2019	July 24, 2022
	Electrical System Inspector of Natural Gas Stations	Inspection of electrical systems	October 4, 2019	March 10, 2024
	Type I Tester and Inspector of LPG Facilities	Level I testing and inspection of LPG facilities	March 26, 2020	March 25, 2023
The Department of Industrial Works	Boiler Engineer	Testing and inspection of boilers or other vessels in which steam or other vapor is generated from water to supply heat	January 1, 2022	December 31, 2025
The Council of Engineers	License for Practice	Regulated engineering works	February 12, 2022	November 2, 2025
The Office of Atoms for Peace	Production, Possession, and Use of Industrial Byproducts	Radiographic testing and possession of X-ray materials	September 18, 2018	September 18, 2023
	Production, Possession, and Use of Industrial Byproducts	Radiographic testing and possession of such radioactive materials as iridium-192 selenium-75, and Class II caesium-137	February 28, 2020	February 27, 2025
	Production, Possession, and Use of Shielding Radioactive Materials	Radiographic testing and possession of depleted uranium	November 5, 2017	November 4, 2022

To ensure business continuity, the responsibility for the above certifications is born by three parties: 1) service agents, who need to present them to clients as required or deemed appropriate, 2) the Safety Department, which is obliged to ensure that operations meet relevant legal requirements and safety standards, and 3) the Human Resources Department, which is tasked with certification filing and certification renewal prior to expiration.

The Company continuously monitors relevant regulations and potential impacts on the Company. As well as preparing for personnel registration and registration as a juristic person auditor In order to be able to provide comprehensive certification services, the company is now able to provide all types of quality inspection and certification services as required by law.

Human resources development

As an organization at the forefront of testing, inspection, and certification services, Qualitech Public Company Limited accords profound importance to human resources development to strengthen its staff's knowledge, skills, expertise, and accuracy in line with the most recent technological and technical advances, to prevent loss of life and property damage and maximize safety for not only the Company but also its clients, and to ultimately ensure its business success and growth. To this end, the Company continually organizes internal training and development programs on a multitude of testing and inspection subjects and awards participants Level I and II ASNT certifications through its specialists who are Level III certification recipients. The testing and inspection training and development programs run on a regular basis include the following:

- Radiographic Testing Levels I and II
- Magnetic Particle Testing Levels I and II
- Liquid Penetrant Testing Levels I and II
- Ultrasonic Testing Levels I and II
- Visual Testing Levels I and II
- Ultrasonic Thickness Measurement Levels I and II
- Eddy Current Testing Levels I and II

To enable its staff to reach their full potential, the Company also organizes training and development programs on topics relating to process efficiency and safety improvement and encourages and supports participation in external training and development courses run both locally and abroad.

❖ 1.5 Market condition and competition

❖ Marketing strategies

(1) Rendering value-added services

In addition to Non-Destructive Testing, inspection, and certification services in accordance with internationally accepted standards, Qualitech Public Company Limited has established a policy to render value-added services to clients by acquiring a thorough understanding of and responding effectively to their needs. For instance, the Company has diversified into annual inspection planning services to streamline the production and maintenance of oil refineries and other petrochemical plants. The Company also provides optional engineering consulting and retrofit control services in the event that defects and/or flaws are identified during Non-Destructive Testing. Most importantly, the Company has developed and utilized state-of-the-art computing programs to align the processing and analysis of testing and inspection results with the needs of all groups of clients.

(2) Achieving service variety and profitability

Qualitech Public Company Limited renders Non-Destructive Testing services encompassing both conventional and advanced options as well as comprehensive inspection and certification services authorized by relevant regulatory bodies that cater to a broad variety of client needs, while keeping abreast of the current technological and legal landscape to ensure propitious response to changing business circumstances. The Company aims to focus more of its efforts on advanced Non-Destructive Testing services due to their greater profitability in comparison to the conventional ones with the preparation of personnel and investment in the necessary equipment being under way.

(3) Expansion in overseas markets

Qualitech Public Company Limited is determined to expand its operations by securing a larger client base and forming allies with Thai contractors undertaking construction projects outside Thailand. Currently, the Company offers testing and inspection services to clients in several neighboring countries, such as Myanmar, planning to venture into wider regional and overseas markets in the future.

(4) Providing optimal engineering solutions

With over 30 years of experience in testing and inspection, Qualitech Public Company Limited excels in applying knowledge and technological advances to provide

clients with optimal engineering solutions and services in accordance with the relevant legal provisions and safety standards. In so doing, the Company works jointly with clients to examine their production systems, materials, and equipment, identify their needs and requirements, select the most comprehensive and feasible testing and inspection options, and provide practical advice in the event that defects and/or flaws are discovered in order that remedial action can be taken in the most efficient and safest manner.

(5) Offering superior service quality and safety at competitive prices

The most critical success factors to testing and inspection are compliance with testing and inspection standards, result accuracy, and safety achievement. Over the years, Qualitech Public Company Limited has offered high quality services promptly delivered by experienced staff and periodically monitored by safety teams, thereby building great confidence in its service quality and safety. This, coupled with competitive pricing strategies, has enabled the Company to maintain a solid client base.

(6) Cross-industry diversification

The client base of Qualitech Public Company Limited is comprised primarily of energy and petrochemical businesses. However, the Company envisions expanding into other industries to afford more varied income sources, enhance competitive advantage, and diversify risk due to the drastic drop in global oil prices, the resultant shrinkage in the volume of engineering works connected to the energy and petrochemical industries, and the trend toward reduced consumption of fossil fuels and increased utilization of circular energy.

❖ Primary client base

Qualitech Public Company Limited has a primary client base of businesses in the energy and petrochemical industries, including entrepreneurs conducting oil- and gas-related operations, oil refineries, gas separation plants, power plants, and petrochemical plants, that require business continuity and rigorous safety standards for equipment and materials the breakdown of which can cause catastrophic damage to life and property. The Company's clientele can be classified into two groups as follows:

(1) Project owners. This type of client base comprises contract parties to agreements relating to inspection and certification in accordance with the relevant legal requirements and engineering safety standards who request such services as periodically scheduled inspection and/or inspection during a major overhaul.

(2) Contractors. This client base is comprised primarily of contractors of large projects involving power plant or manufacturing facility construction and gas pipeline groundwork and secondarily of contractors carrying out engineering works involving large volumes of steel structures, such as high-rise building construction, both of whom sub-contract engineering testing and inspection works to Qualitech Public Company Limited by registering the Company on their approved vendor lists.

❖ **Distribution and promotion channels**

Qualitech Public Company Limited delivers and promotes its services through two main channels as follows:

(1) Direct prospective client contact. The Company contacts prospective clients, i.e. project owners and contractors, directly to introduce its services and request an opportunity to be registered on their approved vendor lists. Once secured, these clients will usually enter into a long-term service agreement with the Company and/or further recommend the Company to those in their circles seeking testing, inspection, and certification services.

(2) Indirect promotion through regulatory bodies. The testing, inspection, and certification of boilers, pressure vessels, and LPG and large oil storage tanks constitute regulated engineering works that need to be accredited by relevant regulatory bodies. The accreditation of the Company by various regulatory bodies serves effectively as an indirect promotion tool with which to build a larger client base and generate revenue since it helps to boost public confidence in the services rendered by the Company.

❖ **1.6 Equipment and material sourcing**

The supplies critical to the operations of Qualitech Public Company Limited comprise Non - Destructive Testing equipment, imported predominantly from overseas, and consumables, such as radioactive materials and films, sourced primarily from local distributors. As equipment and materials are variously acquired, over-reliance on a single supplier is not a risk to the Company.

Qualitech Public Company Limited's Non - Destructive Testing, equipment and material imports are entitled to the Board of Investment of Thailand's (BOI) customs exemption privileges. Additionally, although the Company has made payments for imports in US\$, it has not arranged forward contracts to hedge or speculate exchange rate fluctuations since they have

had little impact on its operating performance. However, consideration for forward contract arrangement to mitigate exchange rate risk is under way.

❖ 1.7 Environmental impacts

To minimize the impacts of its operations on the environment, Qualitech Public Company Limited rigorously monitors and controls the storage and use of radioactive substances in Non - Destructive Testing in accordance with the procedures stipulated by the Office of Atoms for Peace and other relevant regulatory bodies. Also, the excess substances are returned to the dealers to be transported back to the countries of origin in accordance with the relevant legal requirements, while other potentially hazardous remains, such as chemical storage tanks, film developing agents, and waste, are collected by accredited industrial waste management companies. Thanks to its strenuous environmental preservation efforts, the Company was awarded Level II Green Industry Certification.

In addition, the Company attaches the utmost importance to the safety of its clients, assigning its occupational health and safety staff to regularly supervise and evaluate testing and inspection service provision on the spot and report findings to the management.

❖ 1.8 Privileges granted by the BOI

In 2021, Qualitech Public Company Limited enjoyed several privileges granted by the BOI. For instance, its tax-exempt income equaled 68.15% of the total revenue. Out of this, its tax-exempt incomes from the provision of Non-Destructive Testing services, inspection and certification services, and mechanical and metallurgical testing services contributed 91.62%, 35.68%, and 100.00% to the total revenues from such services, respectively

❖ 1.9 Work in progress

Qualitech Public Company Limited carries out its tasks in accordance with the delivery timelines delineated in service agreements and applies the percentage of completion accounting method to determine the revenue from the work in progress in a given year.

As of December 31, 2021, the work in progress of the Company was worth THB 66.29 million.

❖ 1.10 Structure of Shareholding and Management

❖ Company Securities

The Company has a registered capital of 98,568,485 baht as 98,568,485 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 baht, consisting of 98,568,485 shares of common stocks.

The top 10 shareholders whose names appear in the shareholder register book as of December 30, 2021 consist of

Name of Shareholders		December 30, 2021	
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	Ms. Wimol Saetiao	3,675,000	3.73
6	Ms. Rashaneewan Rawirach	1,788,500	1.81
7	Ms. Piyada Khunsongkiet	1,639,400	1.66
8	Mr. Sumet Techachainiran ⁵	1,387,755	1.41
9	Mr. Wichian Srimuninnimit	1,211,600	1.23
10	THAI NVDR Company Limited	947,515	0.96
	Total top ten major shareholders	71,783,900	72.83
	Total no. of shares	98,568,485	100.00

Remark :

¹ Mr. 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
Mr. Monthanat Lubtikultham	4,684,035	4.76
Ms. Monsicha Lubtikultham	4,410,000	4.47
Total	19,121,535	19.40

³ Mr. 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

⁴ Mr. 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
Total	7,406,815	7.51

⁵ Mr. Sumet Techachainiran Group:

Name	No. of shares	% of paid-up shares capital
Mr. Sumet Techachainiran	1,019,355	1.04
Ms. Nattacha Techachainiran	368,400	0.37
Total	1,387,755	1.41

❖ 1.11 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 capital gains tax of the juristic person and reserves under the law. The Company may designate the dividend payment at a lower rate than the rate specified above.

Dividend History	2021	2020	2019
Interim Dividend (Baht)	0.00	0.05	0.05
Annual Dividend Payment (Baht)	0.20	0.30	0.35
Earning (Loss) per share (Baht)	0.041	0.41	0.52
Dividend Payout (%)	485.11%	72.82%	67.09%

Note :* Annual dividend for the year 2021 will be proposed for approval at the AGM 2022 on April 5,2022

❖ 1.12 Operating assets

1.12.1 Main fixed assets

The main fixed assets used in the operations of Qualitech Public Company Limited and its subsidiaries as of December 31, 2021 were as follows.

1.12.1.1 Property

Title deed no.	Locations	Sizes	Types of right	Obligations	Net values (THB)	Purposes
66114 and 66115	Ban Bueng district, Chonburi	1 ngan 66 square wah	Owner	-None-	1,932,000	Branch office location
66116	Ban Bueng district, Chonburi	41 square wah	Owner	-None-	287,000	Branch office location
31034 and 31035	Ban Bueng district, Chonburi	2 rai	Owner	-None-	7,500,000	Branch office location
6628	Prawet district, Bangkok	38 square wah	Owner	-None-	2,280,000	Branch office location
107110	Si Racha district, Chonburi	1 rai	Owner	-None-	3,081,000	Sub-office location
205926	Si Racha district, Chonburi	2 rai	Owner	-None-	9,800,000	Branch office location
72919	Si Racha district, Chonburi	1 rai 3 ngan 74.2 square wah	Owner	-None-	14,101,180	Branch office location
Total value of land owned by the Company					38,981,180	

Title deed no.	Locations	Sizes	Types of right	Obligations	Net values (THB)	Purposes
110547	Mueang district, Rayong	2 rai	Placed as collateral with TMB-Thanachart Bank Public Company Limited	-None-	2,800,000	Head office location
89857	Mueang district, Rayong	2 rai 1 ngan 18.6 square wah	Placed as collateral with TMB-Thanachart Bank Public Company Limited	-None-	4,000,000	Head office location
89858	Mueang district, Rayong	1 rai 3 ngan 77.9 square wah	Placed as collateral with TMB-Thanachart Bank Public Company Limited	-None-	2,200,000	Head office location
Total value of land pledged with financial institutions					9,000,000	

1.12.1.2 Equipment and other fixed assets

Types of assets	Types of ownership	Net book values after depreciation (THB)
Buildings and building improvements	Owner	38,138,634.59
Equipment	Owner	37,708,494.77
Office supplies	Owner	1,026,921.83
Office fixtures and fittings	Owner	717,886.17
Public utility systems	Owner	438,462.72
Vehicles	Owner	20,138,439.35
Total shareholders' equity		98,168,839.43
Buildings and building improvements	Placed as collateral with TMB Thanachart Bank Public Company Limited	9,856,482.51
Total liabilities		9,856,482.51
Vehicles	Leasee (financial lease)	14,104,203.64
Total operating lease		14,104,203.64

The Company's property and plant were placed as collateral with TMB Thanachart Bank Public Company Limited for an overdraft limit of THB 30 million and a bank guarantee for the amount of THB 30 million

❖ 2. Risk Managemant

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, 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 Company is a safety engineering service provider in the oil and gas, petrochemical and steel fabrication sectors, the reduction in global oil price negatively impacted the oil and gas exploration and production industry which led to lower demand for the Company's services and more intense competition. To maintain its customer base and competitiveness, the Company had to slightly cut the service price and this consequently affected the Company's financial performance.

For the competition in the market, although the number of competitors is increasing causing the impact on the service fee. However, the Company still focuses on quality service provision in accordance with the designated values of the organization our core values.

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 paper industry, biomass power plant
3. Develop the organization to meet international standards such as ISO 17025, ISO 17020, ISO 9001 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

Government policies, rules, regulations, and laws are key factors that play a critical role to the growth and operational directions of the future business. This has prompted the Company and its subsidiaries to keep abreast of news and information about the government efforts and work closely with the relevant government agencies to assess potential changes and impacts, both positive and negative. The Company's executives are tasked with taking efforts to minimize such risk. At the same time, the Company keeps updated with any change in the government policy so as to adjust its operations in alignment with the resulting rules, regulations, and laws.

10. Risk from the COVID-19 Impacts

As the world and Thailand has faced the spread of COVID-19 over the past two years, its impacts have spilled over to business operations across the globe. While some businesses experienced a decline in revenue and profit, others could not maintain their production capacity levels or put their projects on hold. Some companies did not allow contractors to enter the premises to curb transmission of COVID-19, preventing the Company from carrying out its services onsite and significantly affecting the Company's business operations. Since the COVID-19 crisis is quite far from over, the Company has taken both short and long-term measures to mitigate risks and monitored the situation closely.

Risk mitigation strategies

1. Adjusting business strategies to maintain competitiveness such as reducing costs and expenditures, maintaining liquidity, and streamlining organizational structure in response to current industrial situations.

2. Establishing COVID-19 preventive measures to ensure safety of employees, clients, and other related parties. Some of which included arranging COVID-19 vaccines for employees, conducting ATK tests among employees on a weekly basis, arranging workplace to accommodate physical distancing, implementing a work-from-home program, and strictly complying with the COVID-19 control measures prescribed by the Ministry of Public Health.

3. Providing tools, equipment, or short-term workspace in case the widespread ongoing transmission of the pandemic prevented employees from coming to work in the office to avert business disruption.

11. Risk from Work-Related Accidents

Qualitech provides testing and safety inspection of equipment, piping systems, and storage tanks, most of which are at clients' sites and in collaboration with several parties such as clients, contractors, etc, which may incur work-related accidents. As a consequence, the Company has set forth control measures, detailing standard safe work procedures and instilled safety consciousness among employees to turn down work that may jeopardize safety measures to avert accidents causing loss of life or property damage. The Company has also applied for third-party liability insurance for damage related to the Company's work performance with coverage amounts as mandated by the government agencies such as the Department of Energy Business. The insurance coverage also extends to clients working onshore and offshore alike to prevent risk from loss of life and property damage to the third parties. Added to this is providing health and employee compensation insurances against work-related accidents for employees.

❖ 3. Driving Business For Sustainability

3.1 Sustainability Management Policy and Goals

Qualitech Public Company Limited is dedicated to providing safety engineering service encompassing non-destructive testing, destructive testing, mechanical and metallurgical testing, inspection and certification as well as providing opinions on safety in engineering as an independent expert to various organizations against international standards. The Company's service is considered direct contribution to society, the community, and

the environment as it helps ensure safety and reduce risks of serious accidents from happening in society and the community.

The Company strives to achieve business sustainability by leveraging ESG (Environmental, Social, and Governance) framework to create sustainable growth. Top priorities are also given to compliance with laws, work standards, good corporate governance principles, and anti-corruption practices to create confidence among all involved parties in line with the intention prescribed in the Company’s Vision, Mission, and Values.

3.2 Management of Impacts on Stakeholders

The Company has identified its stakeholders by analyzing their relationship with the Company in the supply chain from upstream activities including suppliers and business partners to downstream activities which are to deliver quality services and satisfy customer needs to achieve the Company’s objectives. The interrelated impacts were assessed as follows:

Key Stakeholders	Efforts to Meet Stakeholders Expectations	Operational Goals
Shareholders/Investors	<ul style="list-style-type: none"> • Sustain stable business and business growth • Provide accurate, timely, comprehensive, and veritable information • Practice good corporate governance 	<ul style="list-style-type: none"> • To report information in a transparent, accurate, and timely manner • To hold shareholders’ meetings annually and answer questions • To provide investor relations communication channels via phones and email • To organize a meeting with investors annually through the Opportunity Day
Suppliers/Business Partners	<ul style="list-style-type: none"> • Select, list, manage, and monitor suppliers with transparency and fairness • Make payments on time according to payment terms and conditions • Solve problems together • Never receive or pay any benefits to suppliers/business partners • Communicate the Company’s Code of Conduct to suppliers/business partners 	<ul style="list-style-type: none"> • To assess key suppliers yearly in various aspects including the compliance with the anti-corruption measures to add to the Company’s supplierlist • To comply with competition best practices by selecting suppliers based on the criteria to ensure the highest benefit for the Company • To consider buying more from suppliers adhering to Green Procurement policy

Key Stakeholders	Efforts to Meet Stakeholders Expectations	Operational Goals
Customers	<ul style="list-style-type: none"> • Strictly conform to policy and conditions agreed upon with customers • Create customer satisfaction in services • Implement good working standards • Develop and enhance services that better address customer needs 	<ul style="list-style-type: none"> • To make a quote or a bid for a project systematically and fairly • To deliver 100% quality and accurate services within the timeframe • To work in conformance with the quality systems such as ASNT, API, ISO 9001, ISO/IEC 17025, etc., that the Company has been certified To survey customer satisfaction as planned with a minimum satisfaction result level of 85%
Employees	<ul style="list-style-type: none"> • Pay wages and remunerations correctly and on time • Offer appropriate and fair remunerations and benefits • Provide career paths • Provide happy and safe work environment • Provide opportunities to express opinions and file complaints 	<ul style="list-style-type: none"> • To arrange a meeting between executives and employees on a quarterly basis to communicate with employees • Prepare an individual development and professional growth plan for employees at all levels • Provide appropriate communication and complaint channels • Set up the Safety Committee, Benefit Committee and others to meet and define policies together

3.3 Sustainability Management in the Environmental Dimension

Qualitech is resolved to promote environmental stewardship in any of its work processes possible such as streamlining the processes to ensure maximum resource efficiency, setting a timer for the air conditioning system to turn off before the end of the working day to save energy and contribute to the environment, providing areas for storing hazardous waste prior to sending it for proper disposal, and being accredited as Green Industry Level 2 to be part of the efforts to minimize environmental impacts together with suppliers, etc.

Occupational Health and Safety in the Workplace

Realizing the importance of safety and occupational health of employees and other related people, the Company has adopted the internationally-accepted occupational health and safety standards to create a safe working environment.

To ensure strict compliance with rules and regulations, the Company has established the Occupational Health and Safety in the Workplace Committee and designated professional safety staff to control and monitor to ascertain the Company's occupational health and safety efforts align with the policy and operational plan and to raise safety awareness among employees. In 2021, the Company's efforts included the following:

- Prepared plans to prevent or minimize risks associated with injuries from work or accidents in the Company's premises as well as improved the environment to enhance safety, and checked tools and equipment.
- Disseminated knowledge about laws and regulations regarding safety and occupational health together with other related laws such as labor law transportation law, and regulations of the Ministry of Industry. On top of this was keeping employees updated with changes in laws through email and the Company's bulletin boards to enable easy retrieval of the information for the safety benefits of employees.
- Gave knowledge about how to prevent accidents on a constant basis in the forms of training, posts on bulletin boards, and internal emails to employees. In addition to basic knowledge about occupational health and safety management system. Aside from ensuring workplace safety, the endeavors also contributed to safety in the daily life such as safe driving, proper use of equipment, etc.
- Establish a company safety committee by holding a meeting to plan a safety policy and follow up on a monthly basis.

Furthermore, the Company is committed to reducing greenhouse gas emissions in line with the UN goals to mitigate the climate emergency through reducing the Company's energy consumption. In 2021 Qualitech carried out a variety of projects dedicated to greenhouse gas emission reduction despite no target being set. Examples were as follows:

1. The electricity-saving project by setting the temperature of the air conditioning system at 25°C and setting the system to turn off before the end of the working day to save power
2. The project to replace existing sink faucets with water-saving faucets
3. The project to reduce paper consumption by using electronic documents, for example, leave request form, overtime request form, etc to reduce the use of paper, ink, and electricity from the copying machines
4. The project to manage vehicles by incorporating QVM program to manage routes to allow different functions to share a vehicle as a means to save energy and reduce greenhouse gas emissions
5. The project to install a GPS device for navigation or finding the best routes for the Company's vehicles to save energy and reduce greenhouse gas emissions
6. The project to manage waste by preparing a dedicated place to store contaminated waste from the testing equipment before sending it to a licensed contaminated waste processor for proper disposal. Each time hazardous waste was transported, the Company would complete the hazardous waste manifest form
7. The office waste separation project by providing different types of waste bins to encourage employees to sort waste properly
8. Being accredited as Green Industry Level 2 from the Ministry of Industry, demonstrating that the Company successfully carried out activities to minimize environmental impacts as planned

3.4 Sustainability Management in the Social Dimension

Corporate Social Responsibility (CSR)

Qualitech Public Company Limited pledges to conduct business under the good corporate governance principles with adherence to fairness. Priority is also given to social responsibility both internally and externally by incorporating it into one of the sustainable business development strategies. It encompasses employee care and development, fair business dealing with all parties, concern for safety and quality in providing services, community engagement and development, energy efficiency, and environmental conservation.

As an safety engineering service provider, the Company is determined to offer testing, inspection and certification services that meet international standards and requirements stipulated by laws to strengthen public safety systems both at home and abroad. To that effect, it is imperative the Company rigorously complies with applicable rules and regulations in tune with the corporate value of "Reliability, Safety, Prompt Service, Customer Orientation, and Quality".

The Company has a policy to encourage executives and employees to take part in social responsibility every year, which is embedded in the Company's vision, mission, and policy as follows:

Operating Business with Adherence to Fairness and Anti-Corruption

The Company is committed to treating customers, suppliers, and all stakeholders equitably and fairly to ensure fair benefits to all concerned parties and fair business dealings in line with the good corporate governance principles as well as battling corruption in every form. The good practices have been encapsulated in the Company's Code of Conduct and approved by the Board of Directors, which can be summarized as follows:

- The Company operates in line with the rule of law. It is thus imperative that the directors, executives, and employees understand the Company's rules and regulations as well as relevant laws and future legislature, which can impact their performance of duties. It stands to reason that they study and fully understand the government rules and regulations which have already taken or will take effect in the future and strictly comply with them. They shall also avoid any practice that can tarnish the Company's reputation.

- Directors and executives shall not obtain competitors' trade secrets or specifications through illegal means such as theft, espionage, or breach of a non-disclosure agreement either from customers or other individuals.

- The Company operates and makes decision with adherence to transparency, disclosure of information, and verification under the law as well as the Company's rules, regulations, and practices regarding protection of the Company's trade secrets from being illegally shared. The Company respects the rights of shareholders to receive essential information to assess its performance on an equitable basis. Also, the Company shall disclose operating results, financial status, and accurate supporting details as stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand.

- In case there is a connected transaction between the Company and a director, executive, or employee, such transaction shall be treated as a transaction made with an outside party, and the director or employee shall not take part in the approval process.

- Directors, executives, employees and their relatives shall not receive money, benefits or gifts from those dealing in business with the Company because such act can be construed as the recipient being biased or granting a special favor to the giver which could cause damage to the Company/stakeholders.

- Directors, executives and employees must perform their duties with honesty, without prejudice, without exercising their powers and duties. their own interests in seeking personal benefits for themselves or others

- Directors, executives, and employees shall help to obtain patents, licenses or to protect trademarks that are the Company’s intellectual properties and shall not perform any act that violates intellectual properties of other entities or competitors.

- Directors, executives, and employees shall be fair and non-discriminatory in employment practices including recruitment, consideration of remuneration and benefits, promotion, relocation, performance assessment, training, compliance with rules and regulations, termination, employment discharge and rehiring, and engagement in social and recreational activities, etc.

Respect for Employees’ Human Rights and Equality

Respecting human rights and believing in the value of the individual are key to human resources development as employees are the major driving force in driving productivity and creating sustainable value for the business. Realizing this, the Company is determined to treat every employee and stakeholder equitably without discrimination based on skin color, race, sex, religion, tribe, nationality, poverty, disability, or illness as well as accept and respect difference in ideas, society, environment, laws, and cultures.

In 2021, the Company took part in and provided support for the following social activities:

- Established the “Qualitech Funds for Education” program to provide continuing scholarships for elementary students in Rayong.
- Provided training for teachers and students from vocational schools.
- Provided internship for university students in various functions for professional and support work which included both short-term and long-term internships (co-operative education).
- Participated in communities activities on different occasions.
- Employed persons with disabilities and donated money to the Promotion and Development of Life Quality of Disabled Persons Fund.
- Initiated the Safe Riding and Driving project to ensure safety for employees and the community.

Continuing Development for Sustainability

Adherence to good governance and social responsibility is key to the Company’s value and culture. This means more than conducting socially-responsible activities once in a while, but it needs to be a continual effort. The Company commits itself to sustainable

business development to ensure both short-term and long-term mutual benefits for all stakeholders, enabling customers and business partners to grow alongside the Company and contributing to a better and more sustainable society and community. Qualitech also gives importance to promoting innovations across the Company by establishing directions and operational guidelines for the Company’s innovation efforts, stimulating and providing opportunities for employees to express their creative ideas which can generate economic, social, and environmental value. To that end, the Company provides training to enhance knowledge in all areas on a constant basis.

❖ 4. Management’s Discussion and Analysis

- Operations Results of Qualitech Public Company Limited and Subsidiary •

Operation Summary

In 2021, the consolidated financial statement of Qualitech Public Company Limited totaled 392.11 Million Baht , a decrease of 32.44 Million Baht or 7.64% due to the outbreak of Corona virus (COVID-19) in year 2021 effected to services of the Company toward clients especially in Petrochemical and refinery business including Non-Destructive Testing services for Fabrication project which working schedule were delayed. The overall cost of services, cost of distribution and administrative expenses decreased from year 2020 since the Company has executed cost reduction project and suitably adjusted expenses of employees to remain competitively in the market, resulting in the profits belonging to the main company reached 6.61 Million Baht, a decrease of 25.22 Million Baht or 79.23% compared to 2020.

Income

Income structure	2021		2020		%
	Million Baht	%	Million Baht	%	Change
Non-Destructive Testing	200.22	51.06	184.80	43.53	8.34
Inspection and Certification	154.55	39.41	204.01	48.06	-24.24
Other Service	34.91	8.90	32.71	7.70	6.73
Others	2.43	0.63	3.03	0.71	-19.80
Total	392.11	100.00	424.55	100.00	-7.64

Cost of service Cost Distribution and Administrative expenses

In 2021 the Company's cost of service totaled 305.99 Million Baht , a decrease of 9.41 Million Baht or 2.98%. The proportion of service cost in 2021 was equivalent to 78.54% of the income from service. Consequently, the Company's gross profit was 21.48%, lower than 25.18% in 2020. The cost of distribution accounted for 10.38 Million Baht , a decrease of 0.88 Million Baht or 7.81%, and the management expense accumulated to 68.62 Million Baht, an increase of 2.88 Million Baht or 4.38% compared to the year 2020. Overall cost of services, cost of distribution and administrative expenses were decreased due to the Company has executed cost control project and suitably adjusted expenses of employees to remain competitively in the market.

Net Profit

The Company has profits belonging to owners of the company at 6.61 Million Baht , a decrease of 25.22 Million Baht or 79.23% compared to 2020. The rise in net profits was the result of the Company earning more income from services in every service.

Profitability Ratios

Consolidated Financial Statement	2021	2020
Gross Profit Margin	21.48 %	25.18 %
Operation Profit Margin	1.83 %	7.63 %
Net Profit Margin	1.70 %	7.55 %
Return on Equity	1.50 %	7.04 %

In 2021, the Company's gross profit reached 21.48%, lower than the previous year at 25.18%. Operation Profit Margin accumulated to 1.83%, net profit at 1.70%, and return on equity at 1.50%, lower than the year before.

Financial Position

Consolidated Financial Statement	2021		2020		% Change
	Million Baht	%	Million Baht	%	
Asset	506.88	100.00	516.70	100.00	-1.90
Liability	69.73	13.76	69.55	13.46	0.27
Shareholders' equity	433.36	85.50	447.33	86.58	-3.12

Asset

The Company's total assets as of 31 December 2021 totaled 506.88 Million Baht : current assets at 320.16 Million Baht and fixed assets at 186.72 Million Baht . The total assets decreased by 9.81 Million Baht or 1.90% compared to the total assets of 516.70 Million Baht as of 31 December 2020. Due to the revenue decreased and no investment in tool, equipment and vehicle to be used for services ,resulting in decreasing of trade account receivable, other current receivable, property, plant, equipment and net and rights of use assets.

Trade account receivable and other current receivable and contract asset

In 2021, the Company had accounts receivable total 79.11 Million Baht, decreased by 19.92 Million Baht in year 2020 and contract asset total 68.96 Million Baht increased by 2.67 Million Baht in year 2020 because the revenue decreased from year 2020. 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 1.32 Million Baht from year 2020.

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

Combined financial statement	2021	2020
Trade account receivable and other current receivable	98.50	117.84
Deduct allowance expected credit loss – Trade account receivable	(19.39)	(18.81)
Trade account receivable and other current receivable- Net	79.11	99.03

Contract asset (Unit : Million Baht)

Combined financial statement	2021	2020
Contract asset	98.50	71.14
Deduct allowance expected credit loss	(19.39)	(4.85)
Contract asset - Net	79.11	66.29

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

Property, plants and equipment (net) in 2021 accumulated to 159.23 Million Baht, a decrease by 18.02 Million Baht from 2021. Rights of use assets in 2021, accumulated to 14.10 Million Baht an increase by 0.82 Million Baht from 2020. The value of property, plant and equipment-Net and Right of use assets have decreased due to the company has no investment in tool, equipment and vehicle to be used for services.

Liabilities

At 31 December 2021, the company has debt totaling 69.73 million baht, an increase by 0.19 Million Baht as of 31 December 2020 or 0.27%. Current liability increase by 6.07 Million Baht or 16.77% Since the Company has the account payables arising from hiring more specialist with a decrease of non-current liabilities at 5.89 Million Baht or 17.66% due to the estimation of non-current liabilities for employee benefit and debt of hire-purchase vehicle contract to use in operation decreased.

Shareholders' equity

The Company has the equity of shareholders of the parent company as of 31 December 2021 totaling 433.36 Million Baht , a decrease by 13.97 Million Baht as of the end of the accounting period 2020 or a 3.12% because the company Dividends are paid to shareholders.

Cash Flow (Unit : Million Baht)

Cash Flow	2021	2020
Net Cash provided by operating activities	55.85	77.51
Net Cash used in investing activities	(18.15)	(52.02)
Net Cash used in financing activities	(24.08)	(40.03)
Net increase (decrease) in cash and cash equivalents	13.62	(14.54)
Cash and cash equivalents as at December 31	40.89	27.27

The Company has net cash derived for business activities accounting for 55.85 Million Baht, gaining profit from the operation prior to the change in asset and operating liabilities total 32.42 Million Baht. Asset and operating liabilities from the account receivables and other current receivables decreased by 19.55 Million Baht, inventories decreased by 5.97 Million Baht and the account payable and other current account payables increased by 5.97 Million Baht and tax return cash by 3.34 Million Baht

Cash flow was spent on investment activities total 18.15 Million Baht. In 2021 The change of cash refund/purchase other company's equity amount 24.50 Million Baht and cash received from liquidation of subsidiary company from payment amount 13.42 Million Baht and the purchasing of tool, equipment and vehicle to be used for services amount 7.51 Million Baht

Cash flow was spent on financing activities amount 24.08 Million Baht; for dividend payment amount 24.64 Million Baht, Pay the liabilities under the lease agreement amounting to 3.19 million baht. and cash received of non-controlling interests amount 3.75 Million Baht.

The Company had cash and cash equivalent as of 31 December 2021 worth 40.89 Million Baht, an increase of 13.62 Million Baht compared to 31 December 2020.

Liquidity

Cash Flow	2021	2020
Current Ratio (time)	7.57	8.59
Account Receivable Turnover (time)	4.16	4.27
Average Collection Period (day)	88	86
Account Payable Turnover (time)	8.47	7.19
Average Payment Period (day)	44	51

The Company's liquidity ratio in 2021 equaled 7.57, a 1.02 decrease from 2020, due to a decrease in the company's current assets and an increase in current liabilities.

The Company's average collection payment in 2021 was 88 days, 2 days more than 2020 since in 2021 the Company received late payments from certain customers, increasing the collection payment period. The average payment in 2021 was 44 days, 7 days less than 2020.

❖ Financial Status and Result of the Operation

Qualitech Public Company Limited and Subsidiaries

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2019 to 2021

Unit : Thousand Baht

Result of the Operation	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Total Revenue	392,113.79	100.00	424,553.87	100.00	473,576.34	100.00
Sales and services income	389,686.84	99.38	421,521.31	99.29	470,165.42	99.28
Cost of sale and services	305,989.60	78.04	315,396.47	74.29	347,663.31	73.41
Gross profit	83,697.24	21.48 *	106,124.84	25.18*	122,502.11	26.06*
Others	2,426.95	0.62	3,032.56	0.71	3,410.92	0.72
Profit before Distribution costs and Administrative expenses	86,124.19	21.96	109,157.41	25.71	125,913.03	26.59
Distribution costs	10,384.18	2.65	11,263.54	2.65	6,193.99	1.31
Administrative expenses	46,439.56	11.84	43,166.11	10.17	39,691.48	8.38
Directors' remuneration	2,032.00	0.52	2,326.50	0.55	2,993.00	0.63
Management benefit expenses	20,145.71	5.14	20,251.52	4.77	21,781.36	4.60
Total Distribution costs and Administrative expenses	68,617.27	17.50	65,744.13	15.49	64,465.84	13.61
Profit before finance cost and income tax expense	7,122.74	1.82	32,149.74	7.57	55,253.20	11.67
Finance costs	697.17	0.18	752.29	0.18	594.17	0.13
Profit before income tax expense	6,425.57	1.64	31,397.45	7.40	54,659.03	11.54
Tax expense	(105.86)	(0.03)	121.17	0.03	3,698.40	0.78
Profit for the year from continuing operations	6,531.43	1.67	31,276.28	7.37	50,960.63	10.76
Profit (loss) for the year from discontinued operations	0.00	0.00	336.96	0.08	(114.32)	(0.02)
Profit for the year	6,531.43	1.67	31,613.24	7.45	50,846.31	10.74
Other comprehensive income	4,065.14	1.04	(529.02)	(0.12)	(3,277.99)	(0.69)
Total Other comprehensive income (expense) for the year - net of tax	10,596.57	2.70	31,084.22	7.32	47,568.31	10.04
Basic earnings per share (Baht)	0.067		0.323		0.517	
Book Value (Baht)	4.40		4.54		4.63	
Par Value (Baht)	1.00		1.00		1.00	

Qualitech Public Company Limited and Subsidiaries

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019 to 2021

Unit : Thousand Baht

Result of the Operation	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	40,888.78	8.07	27,265.52	5.28	50,103.29	9.24
Trade and other current receivables	79,113.97	15.61	99,029.96	19.17	105,826.49	19.51
Contract assets	68,956.42	13.60	66,290.82	12.83	93,409.46	17.22
Inventories	10,537.82	2.08	8,835.70	1.71	9,484.81	1.75
Other current financial assets	120,664.56	23.81	95,763.79	18.53	78,386.98	14.45
Assets classified as held for sale	0.00	0.00	13,737.75	2.66	0.00	0.00
Total current assets	320,161.55	63.16	310,923.54	60.18	337,211.03	62.16
Non-current assets						
Property, plant and equipment	159,227.30	31.41	177,244.45	34.30	189,537.63	34.94
Restricted bank deposits	0.00	0.00	0.00	0.00	66.66	0.01
Right-of-use assets	14,104.20	2.78	14,924.25	2.89	0.00	0.00
Goodwill	4,844.34	0.96	4,844.34	0.94	0.00	0.00
Other intangible assets other than goodwill	1,837.96	0.36	2,260.03	0.44	2,019.42	0.37
Deferred tax assets	3,229.32	0.64	2,813.69	0.54	1,623.07	0.30
Total non-current assets	186,722.72	36.84	205,774.17	39.82	205,240.11	37.84
Total assets	506,884.27	100.00	516,697.71	100.00	542,451.14	100.00

Qualitech Public Company Limited and Subsidiaries
STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2019 to 2021

Unit : Thousand Baht

Result of the Operation	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Liabilities Current liabilities						
Trade and other current payables	39,351.73	7.76	32,929.93	6.37	54,815.11	10.11
Current portion of lease liabilities	2,931.24	0.58	3,003.46	0.58	1,944.45	0.36
Liabilities included with asset classified as held for sale	0.00	0.00	276.82	0.05	0.00	0.00
Total current liabilities	42,282.97	8.34	36,210.21	7.01	56,759.56	10.46
Non-current liabilities						
Lease liabilities	3,745.49	0.74	6,028.06	1.17	3,593.29	0.66
Non-current provisions for employee benefit	23,706.06	4.68	27,309.77	5.29	25,601.27	4.72
Total non-current liabilities	27,451.55	5.42	33,337.83	6.45	29,194.56	5.38
Total liabilities	69,734.52	13.76	69,548.04	13.46	85,954.12	15.85
Shareholders' equity						
Authorized share capital	98,568.49	19.45	98,568.49	19.08	98,568.49	18.17
Issued and paid-up share capital	98,568.49	19.45	98,568.49	19.08	98,568.49	18.17
Share premium on ordinary shares	75,175.54	14.83	75,175.54	14.55	75,175.54	13.86
Equity-settled share-based payment reserve	10,680.19	2.11	10,680.19	2.07	10,680.19	1.97
Appropriated - legal reserve	10,346.85	2.04	10,346.85	2.00	10,346.85	1.91
Retained earnings						
Unappropriated	238,587.77	47.07	252,559.20	48.88	261,692.27	48.24
Total owners of the Company	433,358.84	85.49	447,330.26	86.57	456,463.33	84.15
Non-controlling interests	3,790.91	0.75	(180.59)	(0.03)	33.69	0.01
Total shareholders' equity	437,149.75	86.24	447,149.67	86.54	456,497.02	84.15
Total liabilities and shareholders' equity	506,884.27	100.00	516,697.71	100.00	542,451.14	100.00

Qualitech Public Company Limited and Subsidiaries

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 to 2021

Unit : Baht

List	2021	2020	2019
Cash flows from operating activities			
Profit for the period	6,531,434.18	31,613,243.82	50,846,309.48
Adjustments			
Gain on revaluation of fair value	(400,769.72)	(508,219.61)	(1,355,899.24)
Unrealized gain on exchange rate	(1,632.94)	6,049.56	264.00
Expected credit losses (reversed)	1,321,647.65	85,379.40	(318,471.53)
(Increase) decrease in unbilled service income	(3,410,993.21)	22,349,043.62	(33,233,092.93)
Loss on devaluation of inventories	0.00	0.00	78,452.95
(Gains) losses on dissolution of subsidiary	38,434.21	0.00	0.00
Depreciation	26,130,847.28	27,629,584.54	26,361,954.80
(Gains) loss on sale of equipment	849,084.98	(346,054.38)	89,677.16
Loss on impairment of properties foreclosed	498.38	3,450.55	0.00
Amortized other intangible assets other than goodwill	422,064.95	439,389.46	390,787.22
Amortized other assets	18,074.05	104,040.46	0.00
Provisions for employee benefits	329,008.09	2,482,800.76	7,419,324.24
Interest expenses	697,166.10	751,640.06	594,819.65
Tax expenses (income)	(105,859.68)	208,330.50	3,698,399.53
	32,419,004.32	84,818,678.74	54,572,525.33
(Increase) Decrease in portion of operating assets			
Trade and other current receivables	19,549,556.49	6,682,193.29	(38,693,302.89)
Inventories	(1,702,113.75)	2,272,686.70	(4,991,747.31)
Deposit at bank pledged as collateral	0.00	66,660.00	4,401,740.00
Other assets	(12,712.35)	1,238,466.87	(643,204.15)
Increase (Decrease) in portion of operating liabilities			
Trade and other current payables	5,966,393.11	(19,819,024.23)	25,179,838.07

Qualitech Public Company Limited and Subsidiaries

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEARS ENDED DECEMBER 31, 2019 to 2021

Unit : Baht

List	2021	2020	2019
Cash generated (paid) from operation	56,220,127.82	75,259,661.37	39,825,849.05
Employee benefit paid	0.00	(3,380,408.47)	0.00
Interest paid	(286,383.18)	(302,128.05)	(174,700.18)
Income tax paid	(3,419,121.83)	(3,536,794.30)	(4,637,609.49)
Income tax refunded	3,341,124.10	9,466,306.44	0.00
Net cash provided by (used in) operating activities	55,855,746.91	77,506,636.99	35,013,539.38
Cash flows from investing activities			
Proceeds from equity securities of other parties	48,000,000.00	96,602,586.87	29,609,504.39
Payments for acquire of equity securities of other parties	(72,500,000.00)	(118,114,107.15)	(5,000,000.00)
Proceeds from dissolution of subsidiary net of cash paid	13,422,495.48	0.00	0.00
Payments for acquire of subsidiary net of cash received	0.00	(3,878,094.62)	0.00
Proceeds from sales of equipment	655,285.35	2,183,114.75	1,101,192.84
Payments for equipment acquisition	(7,512,522.07)	(26,460,023.44)	(29,610,222.99)
Payments for right-of-use assets	(212,878.50)	(1,795,434.57)	0.00
Payments for other intangible assets acquisition other than goodwill	0.00	(555,000.00)	(223,800.00)
Net cash provided by (used in) investing activities	(18,147,619.74)	(52,016,958.16)	(4,123,325.76)
Cash flows from financing activities			
Payments for short-term borrowings	0.00	(2,900,000.00)	0.00
Payments for lease liabilities	(3,189,908.82)	(2,660,460.70)	(2,210,384.80)
Payments for dividend	(24,642,121.25)	(34,468,051.50)	(29,570,545.50)
Proceeds from non-controlling interests	3,750,050.00	0.00	0.00
Payments for non-controlling interests	(2,886.30)	0.00	0.00
Net cash provided by (used in) financing activities	(24,084,866.37)	(40,028,512.20)	(31,780,930.30)
Net increase (decrease) in cash and cash equivalents	13,623,260.80	(14,538,833.37)	(890,716.68)
Cash and cash equivalents as at the beginning of the year	27,265,522.09	50,103,286.48	50,994,003.16
Transfer cash and cash equivalents of subsidiaries to assets classified as held for sale	0.00	(8,298,931.02)	0.00
Cash and cash equivalents as at the end of the year	40,888,782.89	27,265,522.09	50,103,286.48

❖ 5. General Information and Other Important Information

5.1 Other significant information

The details relating to Qualitech Public Company Limited's shareholding in other businesses are provided in 1.1: Group's shareholding structure.

5.2 Pending lawsuit

As of December 31, 2021, a lawsuit was pending against Nacap Asia-Pacific (Thailand) Company Limited with potential material impact on the operations of Qualitech Public Company Limited that had not resulted from the ordinary course of business. The details are as follows.

Qualitech Public Company Limited ("the Company" or "the Plaintiff") filed a lawsuit against Nacap Asia-Pacific (Thailand) Company Limited ("Nacap" or "the Defendant") over an outstanding debt equaling THB 17.23 million (account receivable with the value-added tax thereof in the amount of THB 0.89 million). In regard to this matter, the Company recorded an allowance for doubtful accounts in the total amount of THB 17.23 million, divided into the obligations in the amount of THB 12.07 million and THB 5.16 million owed by Nacap and OPI Services (Thailand) Company Limited ("OPI"), respectively. As OPI transferred its right of claim to the Company on March 21, 2008, Nacap was thenceforth the sole obligation bearer.

Prior to the lawsuit, Nacap, a subsidiary of Nacap B.V. Netherlands, an energy facility construction expert with offices across the globe, won bids for four natural gas pipeline construction projects conducted by PTT Public Company Limited ("PTT"). Among these, Nacap subcontracted the Company to assist in the construction of the Phra Nakhon Nuea-Tai Natural Gas Pipeline and an aboveground natural gas pipeline extension from Rayong Gas Separation Plant to Bang Pakong Power Plant. Nacap also subcontracted OPI, which further subcontracted the Company to provide inspection services in collaboration with OPI for the Trans Thailand-Malaysia Gas Pipeline construction project on the condition that OPI would make a service fee payment to the Company following its receipt of the service fee share from Nacap. The total value of the three projects was TH B89 million.

Since the commencement of the projects in 2004, Nacap made regular service fee payments to the Company until the second quarter of 2006, when Nacap began failing to make payments. The Company tried several debt collection methods, including notifying the management of PTT for debt collection assistance. As a result, Nacap signed the Acknowledgement of Debt Agreement for the Phra Nakhon Nuea-Tai Natural Gas Pipeline Construction Project dated November 21, 2006, agreeing to settle the outstanding debt by

June 30, 2007. During the agreement and settlement dates, Nacap paid the outstanding balance only in part. Upon project completion in the first quarter of 2007, the Company did not send Nacap the x-ray films from the radiographic testing of the construction, which was integral to its project delivery to PTT, informing both Nacap and PTT that the films would be handed over to Nacap only after the outstanding debt was settled. PTT was also advised by Worley (Thailand) Limited, its Phra Nakhon Nuea-Tai Natural Gas Pipeline project consultant, not to acknowledge the project delivery unless Nacap lodged the films to PTT. However, Nacap made no contact with the Company as regards submission of the films to PTT, demonstrating that the project delivery was not officially complete.

Relevant legal considerations

Nacap was contracted to render services to four of PTT's natural gas pipeline construction projects. For the Phra Nakhon Nuea-Tai Natural Gas Pipeline Agreement, PTT had a total service fee after the compensation and penalty charges payable to Nacap in the amount of THB 101.88 million. Meanwhile, Nacap's creditors exercised the right of claim, requesting PTT to settle the service fees owed by Nacap in the total amount of THB 1.204 billion. However, PTT did not repay any of the creditors, reasoning that the amount payable to Nacap was insufficient to cover the total amount claimed by all the creditors. Also, Nacap arranged to transfer the right of claim to a financial institution without the consent of PTT. In regard to this matter, the unresolved issues were as follows: whether the transfer of the right of claim was officially complete and legally binding, the creditors to whom repayments should be made, and the amount to which each eligible creditor was entitled. Therefore, PTT filed a petition to terminate the right of claim and to place the service fee payable to Nacap with the Property Deposit Office of the Legal Execution Department in order to take further action in the best interest of the eligible creditors. Should the court rule that the transfer of the right of claim was not legally binding, the service fee payable to Nacap would be proportionally distributed to the eligible creditors.

In relation to the case, the Company recorded an allowance for doubtful accounts in 2007. On March 20, 2009, the court ruled that Nacap pay the outstanding debt to the Company with the interest thereof. However, Nacap did not settle the amount. Later on May 31, 2010, Nacap was filed for bankruptcy by JST Services Limited, and on the same day, the court issued an absolute receivership order against Nacap. On July 21, 2010, the Company submitted a debt settlement request to the official receiver ("OR") together with documentation relating to Nacap's obligations as ruled by the court and as specified

in the Right of Claim Transfer Agreement between OPI and the Company. On the debt settlement review date, January 26, 2011, altogether 78 creditors filed for debt settlement in the total amount of THB 7,538,649,944.39 (seven billion five hundred and thirty-eight million six hundred and forty-nine thousand nine hundred and forty-four point three nine baht).

On August 19, 2011, the first creditors' meeting was held by the OR to decide whether to arrange debt reconciliation for Nacap or proceed with the filing for its bankruptcy. On that day, Nacap submitted the Debt Reconciliation Agreement dated August 17, 2011, specifying its intent to repay debts to the creditors ruled eligible to settlement in the amount of 20.00% of the total outstanding balance determined by the court within three years from the date of court ruling approving the debt reconciliation. For the parties involved to scrutinize the terms and conditions of the Debt Reconciliation Agreement and propose it to their management for approval, the creditors' meeting was adjourned to December 16, 2011 and again to July 10, 2012 due to the 2011 floods hindering the mailing of the relevant documents to the creditors.

During the creditors' meeting on July 10, 2012 (adjourned from December 16, 2011), the matter was unresolved for the 8th and 78th creditors as it was under consideration by their authorized directors. As a result, the creditors' meeting was adjourned again to December 13, 2011. On the date, the creditors were informed by the OR of Nacap's intent to withdraw from debt reconciliation and consequently presented petitions to terminate Nacap's Debt Reconciliation Agreement dated December 7, 2012 and to file for bankruptcy against Nacap to carry out auctions of its remaining assets the proceeds of which were to be proportionally shared by the eligible creditors.

On January 21, 2013, Nacap was ruled bankrupt. Subsequently, the debt settlement requests of the eligible creditors were reviewed, and asset seizure was conducted. However, the verification of Nacap's obligations toward the eligible creditors prior to asset distribution was delayed with the process being completed for only 30 of them. During this period, Nacap filed a lawsuit against PTT to be compensated for alterations, additional requirements, and other works beyond the terms and conditions of the service provision agreements. In 2014, the Arbitral Tribunal rendered an arbitral award requiring PTT to pay compensation to Nacap, but PTT filed an appeal against the judgement to the Supreme Court. On December 18, 2019, the Supreme Court ruled that PTT's appeal be prohibited from consideration, making PTT obliged to make a payment to Nacap in the approximate amount of THB 4.654 billion.

It is expected that the outstanding service fees will be repaid to the Company since the Company was ruled to be one of the creditors eligible for debt settlement. However, the amount to be repaid is likely to be partial given that PTT's compensation for Nacap equaled only approximately THB 4.654 billion and the proceeds from the auctions of Nacap's assets amounted to only THB 2,189,468.53, while the total outstanding debt with the interest thereof reached approximately THB 7.538 billion.

Because of the coronavirus (COVID-19) disease outbreak, most government officials are working from home, allowing the company to track progress more slowly. There is no further progress at this time.

❖ 6. 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.

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 enable the Company to manage and operate business efficiently and transparently. The Company reviewed practice to assure it was in accordance with 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. 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 capitalization, 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 arrange 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 the 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 Shareholder's 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 can not 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 scrutinize 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 who are the crucial factor behind the Company's success. Thus, the Company emphasizes 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 honor 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 supports employees at every level to recognize 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. Human Resource Division Manager
 2. 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 Statements/Annual Report 2021 (Form 56-1 One Report), together with financial reports and general data, as well as other important data that may effect 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 Form 56-1 One 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

(1) 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, The Audit Committee must have at least three members from the entire Board of 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 In addition, at least half of the total number of directors must reside in Thailand's Kingdom, 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.

(2) Subcommittees

The Board of Directors appoints subcommittees to supervise the business, namely:

- 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.

(3) 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:

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.

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.

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.

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 One Report). 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.

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. Ms. 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.

(4) The Meeting of the Board of Directors

4.1 The Board of Directors arranges the meeting at least once every 3 months. The meeting place shall be held at the head office of the Company or branch office or an area nearby the head office or branch office, or at any other place as the Chairman of the Board or a person assigned by the Chairman of the Board may schedule a meeting of

the Board of Directors by electronic media in accordance with the conditions, procedures and instruction prescribed by law.

4.2 The Board of Directors can invite the management or executive or employees of the company or people who deem appropriate attending the meetings to provide comments or necessary information.

4.3 In the call for meeting of the Board of Directors, the Chairman of the Board or the person assigned shall send the meeting invitation letter to the directors not less than 7 days before the meeting date, except the urgent case that need to maintain the company's benefits will notify the meeting by other methods and may set an earlier meeting date.

4.4 In the meeting of the Board of Directors must have at least half of the total number of directors to constitute a quorum. The Directors must attend the meeting in person unless there is a necessity that any director is unable to attend the meeting in person, they can join the meeting by the video conference system or by the telephone system (Teleconference).

4.5 In the event that the Chairman is not present at the meeting or is unable to perform his duties, the members who present at the meeting shall elect one of the members to be the Chairman of the meeting.

4.6 Any director who has a conflict of interest in the matter under consideration will has no right to vote on that matter.

4.7 Each director has the right to vote only 1 vote and use the most votes as the criteria for voting. In the case of equal votes, the Chairman of the meeting shall have one more vote as a decisive vote.

4.8 The Chairman of the Board calls for a meeting of the Board of Directors. In case of two or more Directors request to call a meeting of the Board of Directors, the Chairman of the board or a person assigned by the Chairman of the Board shall determine the date of the meeting within 14 days from the date of the receipt of the request.

4.9 In the event that the committee member is vacant until less than the quorum, the remaining directors may act on behalf of the Board of Directors only for holding a shareholders' meeting to elect directors to replace all vacant positions and the Board of Directors shall arrange a shareholders' meeting within 1 month from the date that the number of vacant directors is less than the quorum.

(5) 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 incentivize 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.

(6) The Professional Development of the Directors of the Company

Determine the management department to ensure that there is an initial training/education about the organization to the new Directors to understand the work, roles and responsibilities as well as encouraging the Directors to develop the knowledge and understanding continually which covers all aspects to perform duties efficiently and appropriately with changes in external circumstances and sustainable company development. The training and educating may be conducted within the company or using the services of external 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.

Chapter 6 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 recognizes 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 and renew the certificate on November 4, 2019

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)

Supervision of the Use of Internal Data

The Company has the policy and method of scrutinizing 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);

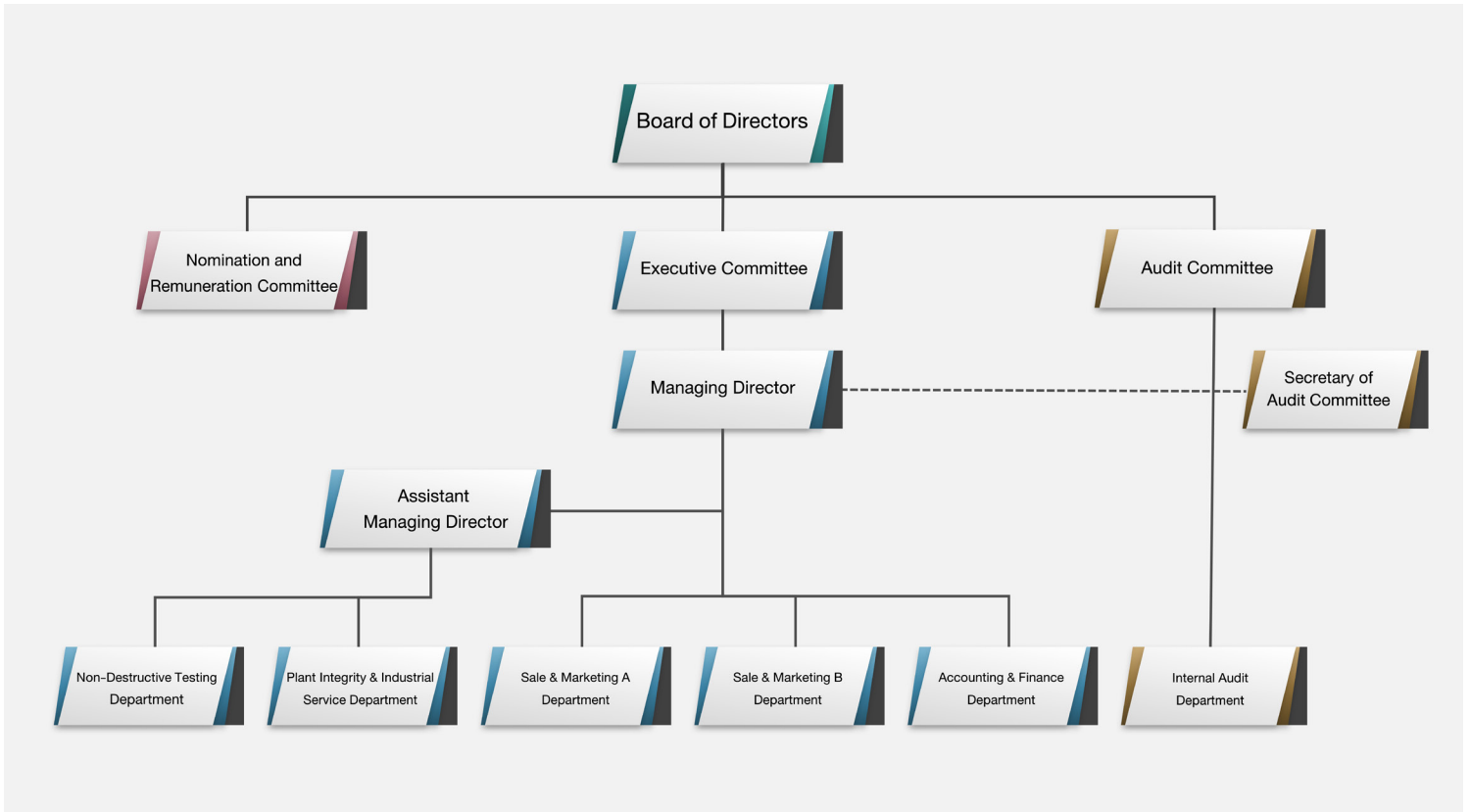
2. The Company required the manager, the next four management levels of personnel under the manager and equivalent personnel, as well as the accounting and finance department manager or above to comply with Section 275 of the Security and Exchange Act 2008 (issue4) so that the Company is able to scrutinise 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.

7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others

7.1 Management Structure

Management Structure of the Company as of December 9, 2021



7.2 Board of Director, 2021

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

Remark : ¹Mr. Somyos Chiamchirungkorn was appointed to the position of the Chairman of the Board according to the resolution of the Board of Directors Meeting No. 1/2022 dated January 22, 2022

²Mr. Sannpat Rattakham was appointed to the position of the Acting Managing Director according to the resolution of the Board of Directors Meeting No. 8/2021 dated January 26, 2021

³Mr. Domdej Sripinproach was resigned from the position of Managing Director according to the resolution of the Board of Directors Meeting No. 8/2021 dated November 26, 2021

Directors who complete their terms during the year 2021 : None

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 and Mr. Supachock Sirichantaradilok. Two out of Three Directors can co-sign and stamp the Company's seal.

The term of the Office of Directors:

1. The Directors have the term of office for 3 years each time or as specified by the shareholders' meeting.

2. The Chairman of the Board has the term of office equal to the term of Director. When the term as a director is completed, it shall be deemed that the position of the Chairman of the Board is terminated simultaneously. The Board of Directors will elect new Chairman which may be the same person

3. At every annual general meeting, there will be at least one-third of the directors who retire by the completion of term. If the number of directors to be retired cannot be divided exactly into three, the number closest to 1 out of 3 shall be used.

The Directors retiring under paragraph one can be appointed as a director again if the meeting has elected to hold the position. The Directors who must retire from office in the first and second year after the Company's registration shall be selected by drawing lots. For the next year, the Director who has been in the position for the longest time shall retire.

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

The Board has the powers, duties and responsibilities in managing the Company in accordance with the law, objectives and regulations of the Company with morality and for the benefit of the Stakeholders. The main powers, duties and responsibilities of the Board are as follows:

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 appoint the Executive Committee and other committees as appropriate along with the determination of the structure and duties of the committees.

8. Has the authority to determine the names of the directors who have the authority to bind the Company with the Company's seal.

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

10. 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.

11. 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.

12. A Director has duty and responsibility for considering and approving policies including establishing a system that supports the effective anti-corruption to ensure that all employees of the company are aware of and focus on the problems caused by corruption.

13. 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. Somchai Jongsirilerd	Chairman
2	Mr. Somyos Chiamchirungkorn	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 position 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 verify or 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
2	Mr. Somchai Jongsirilerd	Member of the Nomination and Remuneration Committee
3	Mr. Thawatchai Lipithorn	Member of the Nomination and Remuneration Committee

With Ms.Wimol Saephung performs as Secretary to the Nomination and Remuneration Committee

Term of the Office of the Nomination and Remuneration 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 Nomination and Remuneration 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 to the Board of Directors or Shareholder's Meeting for approval. For the positions of Managing Director and above, 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 and above.
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 set the annual remuneration for 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 it to the Board of Directors for approval.

Executive Committees

The Company's Executive Committee comprises of 3 directors as follows

Rank	Name	Position
1	Mr. Sannpat Rattakham	Chairman of the Executive Board
2	Mr. Thawatchai Lipithorn	Executive Director
3	Mr. Supachok Sirichantaradilok	Executive Director

Term of the Office of Executive Committees

1. Board of Directors consider appointing the Executive Committee.
2. The Executive Committee elects 1 Executive Director to be the Executive Chairman.
3. The Executive Committee has 3 years for each term of office. The Vacating Committee will continue to perform their duties until a new executive committee is appointed.
4. Executive Directors who vacate office upon the expiration of the term may be re-appointed but not the automatically renewing.
5. In addition to vacating office by the expiration of the term, the Executive Director can vacate office upon
 - Dead
 - Resign
 - Lack of management qualifications as stated above
 - The Board of Directors' meeting passed a resolution to resign
6. Any Executive Director who wish to resign from office shall submit a resignation letter to the Chairman of the Executive Committee. The resignation shall be effective from the date of the resignation letter arrives at the company or the date of resignation will be specified in advance in the resignation letter which must be approved
7. In the event that the Chairman of the Executive Committee wishes to resign, the resignation letter must be submitted to the Executive Board meeting. The resignation shall be effective from the date the resignation letter arrives at the company or the date of resignation will be specified in advance in the resignation letter which must be approved.
8. In the event that the position of Executive Director is vacant, the Board of Directors shall elect any person who has the qualifications as specified in the Board of Directors Charter to be the Executive Director instead.

Terms of the reference and responsibilities of the Executive Committee:

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 payment of the Company for purchasing raw materials in its normal business within the 50 Million Baht limit (fifty Million Baht only);

5. To approve the payment of the Company for purchasing the equipment and fixed assets for normal operations within the 20 Million Baht limit (twenty Million Baht only);

6. To approve the Company's sale and provision of services in the course of normal business such as approval for sale of merchandise and the conclusion of hire contracts in the course of normal business, within the 150 Million Baht limit (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 a decision to mortgage or place as collateral the Company's assets for the purpose of guaranteeing the existing or future debts of the company, within the 50 Million Baht limit (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, organization management power, including the appointments, employment, termination, transfers, payroll assignments, incentives, bonuses and annual salary adjustments to the Managing Director or Chief Executive Officer including Executives according to the definition of the Notification of the Capital Market Supervisory Board No. TorJor. 23/2551: Determination of Executive Definitions for Compliance with Chapter 3/1 of the Securities and Exchange Act B.E. 2535, including any amendments thereto.

14. To Determine the criteria for evaluating overall performance of the Company and its subsidiaries' organization and consider the salary adjustments and determine the amount of annual bonuses to employees of the Company and its subsidiaries' organization.

15. To have the authority to delegate powers to the Managing Director or Chief Executive Officer or one or more Directors or any others to perform any act on behalf of the Executive Committee as deemed appropriate. The Executive Committee can cancel, revoke, change or amend the person who has been authorized or empowered which must not be in the aspect of a power of attorney or empowerment that causes the Executive Committee or the person authorized by the Executive Committee can approve the transaction that he or she may have a conflict of interest, a stakeholder or have any other conflicts of interest with the Company or subsidiaries, except for the approval of transactions that are in accordance with the policies and rules that the shareholders' meeting or the Board of Directors has considered and approved.

16. To acquire shares or invest in other companies worth a financial amount not exceeding 5 Million Baht;

17. To approve loans to subsidiaries of a financial amount not exceeding 5 Million Baht ;

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

19. 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.

20. The Executive Committee cannot consider and approve transactions that the Executive Board has interests or have any other conflicts of interest with the Company or subsidiaries, except for the approval of transactions that are in accordance with the policies and rules prescribed by the Board of Directors or the shareholders' meeting has already considered and approved and in accordance with the law.

21. To evaluate the performance of the Managing Director or Chief Executive Officer and determine the remuneration of the Managing Director or Chief Executive Officer to propose to the Nomination Committee for consideration.

22. To review the Executive Board Charter at least once a 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 be the Company's attorney in the management of the Company's business to be in accordance with the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting and/or the Board of Directors meeting and/or the Board of Directors of the Company in all respects.

2. To supervise the business operations and manage the daily operations of the Company to be in accordance with the Company's policy and approve any matters related to the normal operation of the Company and/or delegate powers to executives or any other person carrying out the normal daily operations of the Company to perform duties on behalf of a specific matter under the control of the Managing Director and within the period the Managing Director deems appropriate and the Managing Director may cancel, revoke, change or amend such powers.

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 30 Million Baht (thirty Million Baht), and the purchase of tools, equipment or fixed asset used in the operation within the budget per item not exceeding 10 Million Baht (ten 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 100 Million Baht budget per item (one hundred Million Baht)

6. Have the authority to delegate powers and/or assign other people to perform specific tasks on their behalf. The delegation and/or such assignment shall be within the scope of the authorization and/or in accordance with the regulations, requirements or orders that the Board of Directors of the Company and/or the company has specified.

7. Have the authority to approve the subsidiary to borrow money in the amount of not more than 2 million baht (two million baht only)

8. 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.

9. To consider the allocation of gratuities, rewards or various rewards to employees or workers of the Company or any person who does business for the Company.

10. 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.

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

12. Have the authority to issue orders, regulations, announcements, records to ensure that operations are in accordance with the policy and the benefits of the Company and to maintain discipline of working within the organization.

13. 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.

14. 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.

15. 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.

16. Have the authority or sub-authorization on behalf of the Company to prosecute the law related to the Company's business operations.

17. Have the authority or sub-authorization on behalf of the Company to contact and request for service of the listed information from the Revenue Department and other official documents related to the Company.

18. 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.

19. To perform other duties as assigned from the Board of Directors /Executive Committee occasionally.

20. Have the authority to perform any act related to the above-mentioned work until its completion.

21. Have the authority to certify copies of documents related to the above-mentioned work until its completion.

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 2021 General Meeting of Shareholders on the 8th April 2021 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	16,500 Baht/per time
Director	11,000 Baht/per time
Audit Committee	
Chairman of the Audit Committee	13,200 Baht/per time
Member of the Audit Committee	11,000 Baht/per time
The nomination and remuneration committee	
Chairman of The nomination and remuneration committee	13,200 Baht/per time
Member of The nomination and remuneration committee	11,000 Baht/per time
Pension	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

Remunerations of the Executives

Eleven 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 19,945,713.21 Baht in 2021

(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 2021 in the Company and Subsidiaries was 442 people as shown below.

Institute	Number of Personnel		
	2021	2020	2019
1. Executive Department	7	8	8
2. Operation Department	336	382	417
3. Support Department	99	106	73
Total	442	496	498

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.

❖ 8. Report on Key Actions under Corporate Governance

Attendance of the Meeting of Board of Directors in 2021

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	8/8	-	-
2	Mr. Somyos Chiamchirungkorn	8/8	4/4	1/1
3	Mr. Tinakorn Seedasomboon	8/8	4/4	-
4	Mr. Somchai Jongsirilerd	8/8	4/4	1/1
5	Mr. Somchaan Lubtikultham	8/8	-	-
6	Mr. Thawatchai Lipithorn	8/8	-	1/1
7	Mr. Supachok Sirichantaradilok	8/8	-	-
8	Mr. Domdej Sripinproach	8/8	-	-
9	Mr. Komjak Rattakham	8/8	-	-

Directors' Remunerations in 2021

No.	Name of the Board of Directors	Meeting allowances	Pension	Total compensation
1	Mr. Sannpat Rattakham	132,000.00	128,755.37	260,755.37
2	Mr. Somyos Chiamchirungkorn	149,600.00	153,648.07	303,248.07
3	Mr. Tinakorn Seedasomboon	132,000.00	128,755.36	260,755.36
4	Mr. Somchai Jongsirilerd	147,400.00	148,927.04	296,327.04
5	Mr. Somchaan Lubtikultham	88,000.00	85,836.91	173,836.91
6	Mr. Thawatchai Lipithorn	99,000.00	96,566.52	195,566.52
7	Mr. Supachok Sirichantaradilok	88,000.00	85,836.91	173,836.91
8	Mr. Domdej Sripinproach	88,000.00	85,836.91	173,836.91
9	Mr. Komjak Rattakham	88,000.00	85,836.91	173,836.91
	Total	1,012,000.00	1,000,000.00	2,012,000.00

Directorial remuneration summary for 2020 and 2021

Remuneration	2021		2020	
	Person	Baht	Person	Baht
Meeting allowances	9	1,012,000.00	10	896,500.00
Pension	9	1,000,000.00	10	1,450,000.00
Total		2,012,000.00		2,346,500.00



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. The members are as follows:

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

In 2021 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 2021 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. Sufficiency of the risk management system

The Committee reviewed risk management approaches, the progress of the risk management to reduce and control risks, the company operation system, and the sufficiency of the risk management system.

4. Corporate Governance and Compliance with Laws and Regulations

The Committee reviewed corporate governance and compliance with laws and regulations. The corporate governance had been properly applied which led to the reliability and sustainability of the business. The operation was also operated in compliance with laws related to the company business.

5. Anti-corruption

The Committee reviewed the anti-corruption policy according to Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The policy had been revised and applied constantly.

6. Connected Transaction and Conflict of Interest

The Committee reviewed the related transaction of the company with subsidiaries both connected transaction and conflict of interest to ensure that the company was operated under normal business conditions and the information disclosure was transparent. According to the review process, no significant irregularity was found.

7. Selection of Auditors and Consideration of Audit Fee for Year 2022

The Committee considered the performance of auditors in the previous year with respect to knowledge, skill, experience, reliability, independence, and quality.

The Committee agreed to select DIA International Co., Ltd. to be the auditors for the company and subsidiaries in 2022 with the audit fee of 1,360,000 Baht and assigned the board of directors to propose the auditor's company to the annual general meeting of shareholders to request for approval. The names of the auditors are as follows:

Ms. Suphaphorn Pissanuwong	CPA Registration No. 8125	or/and
Ms. Somjintana Phonhirunrat	CPA Registration No. 5599	or/and
Mr. Viroj Sajjathamnukul	CPA Registration No. 5128	or/and
Mr. Nopparoeck Pissanuwong	CPA Registration No. 7764	

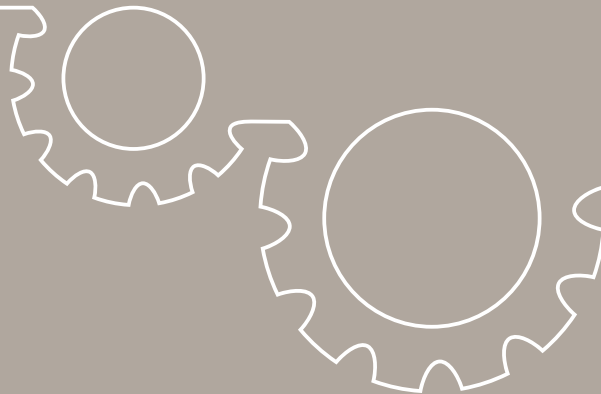
Nonetheless, in performing its duties, the Audit Committee has independently considered, proposed opinions and suggestions as regards the management in the utmost interest of the Company. The Committee thereupon would like to thank every party for their excellent collaboration.

On behalf of Audit Committee



Mr. Somchai Jongsirilerd
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 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. Tawatchat Lipithorn	Member of the Nomination and Remuneration Committee / Executive Director

For the year 2021, the Committee held a once meeting and summarized the major content regarding the work performance of the Nomination and Remuneration Committee as follows:

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

2. Consider the remuneration of the committee and executive committee for the year 2021 within the budget approved by the shareholders.

3. Designate the 2022 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. Revised the Nomination and Remuneration Committee's Charter to be line with the adjustment of the Company's structure.

On behalf of The nomination and Remuneration committee



Mr. Somyos Chiamchirungkorn
Chairman of The nomination and remuneration committee

❖ 9. Internal Control and Connected Transaction

1. Sufficiency of Internal Control System

In the second meeting of 2022 of the board of directors meeting held on 12th February 2022, the board of directors determined the sufficiency of the internal control system in the following aspects: internal control, risk assessment, operation control, information system, and data communication, and follow-up system. The system was considered sufficient. The board of directors gave importance to the internal audit system by setting areas to be controlled internally involving finance, operation, and compliance with laws and regulations. An audit and balance mechanism were designed effectively with the purpose to protect company assets.

2. Policy on the Procedures of the Internal Audit

The company set up the internal control unit which quarterly reports directly to the audit committee to assess the effectiveness and sufficiency of the current internal control system. In 2021, the board of directors received the report from the internal audit committee on the audit of the financial statement and report, and the performance of the internal audit unit. The board of directors assessed the internal audit system, which had been able to set corrective measures and improvement, at the satisfying level in overall. It could be assured that the operation according to the policy and related regulatory related to the company financial report were suitable and reliable. Company assets were protected against misuse by executives and employees, and transactions with related people or those with conflicts of interest. The operation was done according to the procedures and the internal audit system functioned sufficiently and suitably.

Related Transaction

Details of possible conflicts about the connected transactions between the company and its subsidiaries with connected parties that occurred in 2021 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> Wages, building and furniture rental, management fee, staff uniform 2021: 0.00 Million Baht 2020 : 0.39 Million Baht</p> <p><u>Expenses</u> Wages, Consumable 2021: 0.00 Million Baht 2020: 1.56 Million Baht</p>	<p>The rental of building and furniture are equivalent to the market price.</p> <p>Management fee is normal operating fee and is beneficial to the Company's operations.</p> <p>The purchasing of Consumable is 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
Qualitech Myanmar Company Limited	Subsidiary company. The Company holds 80.00% of shares. Both companies have common Directors and Management.	<p><u>Incomes</u> Wages, Management fee, Tool rental 2021: 1.31 Million Baht 2020: 0.88 Million Baht</p>	<p>Wages were for employment. The rate was equivalent to the employment of other companies.</p> <p>Management fee was the ordinary operation fee and beneficial to the Company's operations.</p>	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.

Related party	Relationship	Nature,condition and value	Necessity and Reasonability	Audit Committee's Opinion
Duwell Intertrade Company Limited	Subsidiary company. The Company holds 99.99% of shares. Both companies have common Directors and Management.	<p><u>Incomes</u></p> <p>Rental, Management fee, Wages, Material expense</p> <p>2021: 1.31 Million Baht 2020: 0.88 Million Baht</p> <p><u>Expenses</u></p> <p>Radiation expense, Consumable,Calibration fee, Property purchasing cost</p> <p>2021 : 10.43 Million Baht 2020 : 5.90 Million Baht</p> <p><u>Loan</u></p> <p>2021 : 0.00 Million Baht 2020 : 3.00 Million Baht **</p> <p><u>Loan Interest</u></p> <p>2021 : 0.00 Million Baht 2020 : 0.09 Million Baht **</p> <p>** Note: On December 25, 2020, Duwell Intertrade Co., Ltd. has already repaid the loan with interest to the Company</p>	<p>The rental of building and furniture are equivalent to the market price. The lease term is 2 years from 1 Jan. 2020 to 31 Dec. 2021.</p> <p>The rental for Radiation transfer location was equivalent to the market price. The rental period lasted from 1 Jun 2020 to 31 Dec 2021.</p> <p>The purchase of Iridium 192 was transaction made with only licensed distributors.</p> <p>Consumables were purchased at a price equivalent to the market price</p> <p>The purchasing price of the property is equivalent to the market price.</p> <p>Wages is equivalent to that of other companies.</p> <p>Borrowing for working capital at an interest rate of Hundred 5.50 per annum, The inter-related interest rate is the interest rate referenced from the interest rate for limit-term loans (MLR) + 0.125% of Krungthai Bank Co., Ltd. (Public)</p>	The Audit Committee considered such transaction to be 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 Solution Energy Company Limited	A subsidiary in which the Company holds 70.00% shares and is jointly held by directors and executives.	<u>Income</u> Building rent 2021 : 0.03 Million Baht 2020 : 0.00 Million Baht	Qualitech Solution Energy Company Limited entered into an office building lease agreement with Qualitech Public Company Limited for use as a working place. Located at the Sriracha branch office The usable area is 20 square meters, the rental rate is 3,000 baht per month, the rental period is 1 year, starting from April 9, 2021 to April 8, 2022. The rental rate is equivalent to the market price.	The Audit Committee considered such transaction to be a cross-transaction between the Company and subsidiary of which the Company holds 70.00% of shares. Such transaction is in line with normal trading and beneficial to the Company's operations.

1. Measures or Procedures for Approval of Related Party Transactions

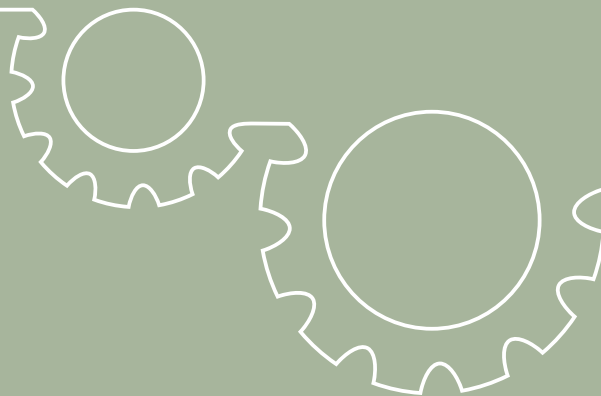
In making transaction with a person who may have conflict of interest, the matter shall be proposed to the Company's Board of Directors for consideration and approval of such related party transaction for the utmost benefit of the business, as well as for the protection of investors and those related 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.

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 Form 56-1 One Report.

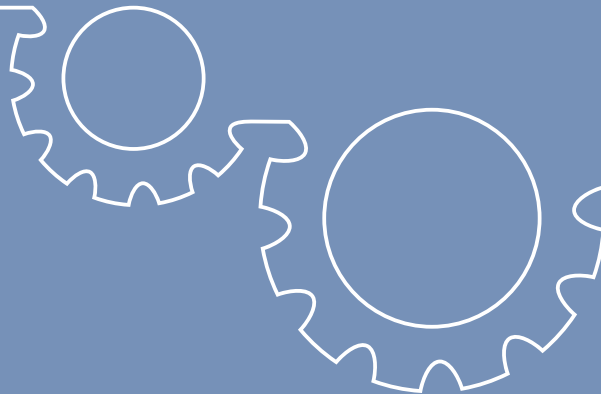
The Board of Directors is of the opinion on the financial report that the Company's internal control system is overall adequate and appropriate. The consolidated financial statements of Qualitech Public Company Limited and its subsidiaries for the year ended

31 December 2021 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 Form 56-1 One Report.

A handwritten signature in blue ink, appearing to read "Sanpat", written in a cursive style.

Mr. Sanpat Rattakham
Chairman of the Executive Board

**AUDITOR'S REPORT AND FINANCIAL
STATEMENTS**



❖ AUDITOR'S REPORT AND FINANCIAL STATEMENTS

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, 2021, 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, 2021, 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 contract assets

As at December 31, 2021, the Group has material amount of unbilled revenues from services of Baht 68.95 million in the consolidated financial statements. The calculation of unbilled services income is complicated procedure because of various rates of services fee and depending on the nature of service rendering of each contract. There is a lot of internal control document for recoding services rendering in each day which result to the collection of such document may incomplete and/or calculation of unbilled revenue from services income may inaccurate. 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 11 to financial statements, as at December 31, 2021 the Group has material amount of equipment and tools of Baht 37.71 million (net of accumulated depreciation amount of Baht 175.18 million) in the consolidated financial statements. Such tools and equipment are main assets used for providing services rendering to customers since the Group has 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.



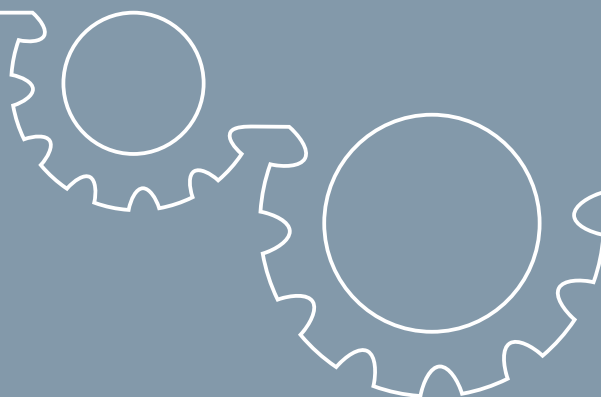
(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand)

Registration No. 2982

February 12, 2022

Section 3 Financial Report



QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	5	40,888,782.89	27,265,522.09	21,978,323.05	21,665,715.73
Trade and other current receivables	6	79,113,969.72	99,029,961.23	77,344,909.32	97,121,675.48
Contract assets	7	68,956,421.88	66,290,814.88	68,788,893.68	65,857,325.88
Inventories		10,537,814.76	8,835,701.01	6,165,323.87	6,151,373.08
Other current financial assets	8	120,664,562.16	95,763,792.44	120,664,562.16	95,763,792.44
Assets classified as held for sale	9	0.00	13,737,747.24	0.00	10,249,385.00
Total current assets		320,161,551.41	310,923,538.89	294,942,012.08	296,809,267.61
Non-current assets					
Investment in subsidiaries	10	0.00	0.00	24,914,893.20	18,513,100.00
Property, plant and equipment	11	159,227,303.08	177,244,444.08	157,686,229.96	175,547,070.42
Right-of-use assets	12	14,104,203.64	14,924,254.27	14,104,203.64	14,924,254.27
Goodwill	13	4,844,339.37	4,844,339.37	0.00	0.00
Other intangible assets other than goodwill	14	1,837,962.42	2,260,027.37	1,837,962.42	2,260,027.37
Deferred tax assets	15	3,229,321.88	2,813,692.50	3,432,703.84	2,654,169.65
Income tax for refund		3,127,975.31	3,359,198.15	3,119,382.07	3,341,124.10
Others non-current assets	16	351,615.00	328,213.38	290,475.00	1,491,073.38
Total non-current assets		186,722,720.70	205,774,169.12	205,385,850.13	218,730,819.19
Total assets		506,884,272.11	516,697,708.01	500,327,862.21	515,540,086.80

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2021

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Trade and other current payables	17	39,351,735.72	32,929,927.26	40,123,013.84	32,842,146.49
Current portion of lease liabilities	18	2,931,238.07	3,003,458.44	2,931,238.07	3,003,458.44
Liabilities included with asset classified					
as held for sale	9	0.00	276,817.55	0.00	0.00
Total current liabilities		42,282,973.79	36,210,203.25	43,054,251.91	35,845,604.93
Non-current liabilities					
Lease liabilities	18	3,745,482.42	6,028,058.87	3,745,482.42	6,028,058.87
Non-current provisions for employee					
benefit	19	23,706,061.70	27,309,774.24	23,627,748.24	27,183,438.07
Total non-current liabilities		27,451,544.12	33,337,833.11	27,373,230.66	33,211,496.94
Total liabilities		69,734,517.91	69,548,036.36	70,427,482.57	69,057,101.87

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT DECEMBER 31, 2021

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
		2021	2020	2021	2020	
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						
		Appropriated - legal reserve	10,346,848.50	10,346,848.50	10,346,848.50	10,346,848.50
	21	Unappropriated	238,587,773.18	252,559,198.09	235,129,314.71	251,711,920.00
		Total owners of the Company	433,358,838.11	447,330,263.02	429,900,379.64	446,482,984.93
		Non-controlling interests	3,790,916.09	(180,591.37)	0.00	0.00
		Total shareholders' equity	437,149,754.20	447,149,671.65	429,900,379.64	446,482,984.93
		Total liabilities and shareholders' equity	506,884,272.11	516,697,708.01	500,327,862.21	515,540,086.80

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2021	2020	2021	2020
Sales and services income		389,686,839.00	421,521,312.64	374,681,559.34	413,472,530.53
Cost of sale and services		(305,989,601.08)	(315,396,467.53)	(299,045,721.16)	(310,232,552.20)
Gross profit		83,697,237.92	106,124,845.11	75,635,838.18	103,239,978.33
Other income					
Dividend income	10	0.00	0.00	0.00	8,999,460.00
Gains (losses) on dissolution of subsidiary		(38,434.21)	0.00	3,136,890.59	0.00
Others		2,465,385.64	3,032,560.34	3,494,482.13	4,024,109.64
Distribution costs		(10,384,183.18)	(11,263,538.33)	(9,294,357.43)	(10,581,386.70)
Administrative expenses		(68,617,265.57)	(65,744,134.30)	(69,253,508.38)	(64,053,592.90)
Profit from operating activities		7,122,740.60	32,149,732.82	3,719,345.09	41,628,568.37
Finance costs		(697,166.10)	(752,285.03)	(695,185.27)	(752,285.03)
Profit before income tax expense		6,425,574.50	31,397,447.79	3,024,159.82	40,876,283.34
Tax (expense) income	22	105,859.68	(121,167.80)	1,039,562.51	(267,769.90)
Profit for the year from continuing operations		6,531,434.18	31,276,279.99	4,063,722.33	40,608,513.44
Profit for the year from discontinued operations	9	0.00	336,963.83	0.00	0.00
Profit for the year		6,531,434.18	31,613,243.82	4,063,722.33	40,608,513.44
Other comprehensive income					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
- (Gains)Losses on remeasuements of defined benefit plans		4,343,503.55	(569,619.53)	4,256,821.95	(569,619.53)
- Income tax of other comprehensive income					
that will not be reclassified to profit or loss		(278,364.63)	40,602.48	(261,028.32)	40,602.48
Total components of other comprehensive income					
that will not be reclassified to profit or loss		4,065,138.92	(529,017.05)	3,995,793.63	(529,017.05)
Other comprehensive income(expense)					
for the year - net of tax	22	4,065,138.92	(529,017.05)	3,995,793.63	(529,017.05)
Total comprehensive income for the year		10,596,573.10	31,084,226.77	8,059,515.96	40,079,496.39

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2021

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2021	2020	2021	2020
Profit (loss) attributable to :					
Owners of the Company					
From continuing operations		6,605,564.35	31,495,606.85	4,063,722.33	40,608,513.44
From discontinued operations		0.00	336,930.13	0.00	0.00
Total		<u>6,605,564.35</u>	<u>31,832,536.98</u>	<u>4,063,722.33</u>	<u>40,608,513.44</u>
Non-controlling interests					
From continuing operations		(74,130.17)	(219,326.86)	0.00	0.00
From discontinued operations		0.00	33.70	0.00	0.00
Total		<u>(74,130.17)</u>	<u>(219,293.16)</u>	<u>0.00</u>	<u>0.00</u>
Grand total		<u><u>6,531,434.18</u></u>	<u><u>31,613,243.82</u></u>	<u><u>4,063,722.33</u></u>	<u><u>40,608,513.44</u></u>
Total comprehensive income (expense) attributable to :					
Owners of the Company		10,670,696.34	31,303,519.93	8,059,515.96	40,079,496.39
Non-controlling interests		(74,123.24)	(219,293.16)	0.00	0.00
Total		<u><u>10,596,573.10</u></u>	<u><u>31,084,226.77</u></u>	<u><u>8,059,515.96</u></u>	<u><u>40,079,496.39</u></u>
Earnings per share					
Basic earnings per share					
Profit from continuing operations		0.067	0.320	0.041	0.412
Profit from discontinued operations		0.000	0.003	0.000	0.000
		<u>0.067</u>	<u>0.323</u>	<u>0.041</u>	<u>0.412</u>
Weighted average number of common shares		98,568,485	98,568,485	98,568,485	98,568,485

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

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	Consolidated financial statements (Baht)							Total shareholders' equity	
		Owners of the Company				Total owners of the Company	Non-controlling interests	Total		
		Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve	Retained earnings					Unappropriated
Beginning balance of the year 2021		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	
Changes in shareholders' equity for the year:										
Ordinary shares	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,048,517.00	4,048,517.00
Subsidiary's dissolution	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,886.30)	(2,886.30)
Dividend paid	21	0.00	0.00	0.00	0.00	(24,642,121.25)	(24,642,121.25)	0.00	(24,642,121.25)	(24,642,121.25)
Profit (loss) for the year		0.00	0.00	0.00	0.00	6,605,564.35	6,605,564.35	(74,130.17)	6,531,434.18	6,531,434.18
Other comprehensive expense for the year		0.00	0.00	0.00	0.00	4,065,131.99	4,065,131.99	6.93	4,065,138.92	4,065,138.92
Ending balance of the year 2021		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	238,587,773.18	433,358,838.11	3,790,916.09	437,149,754.20	
Beginning balance of the year 2020, restated										
Changes in shareholders' equity for the year:										
Ordinary shares	10	0.00	0.00	0.00	0.00	0.00	0.00	5,551.28	5,551.28	5,551.28
Dividend paid	21	0.00	0.00	0.00	0.00	(34,498,969.75)	(34,498,969.75)	(540.00)	(34,499,509.75)	(34,499,509.75)
Profit (loss) for the year		0.00	0.00	0.00	0.00	31,832,536.98	31,832,536.98	(219,293.16)	31,613,243.82	31,613,243.82
Other comprehensive expense for the year		0.00	0.00	0.00	0.00	(529,017.05)	(529,017.05)	0.00	(529,017.05)	(529,017.05)
Ending balance of the year 2020		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	

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, 2021

	Note	Separate financial statements (Baht)						Total shareholders' equity
		Issued and paid-up share capital	Share premium	Equity-settled share-based payment reserve		Retained earnings		
				share-based payment reserve	Appropriated	Unappropriated		
Beginning balance of the year 2021		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	251,711,920.00	446,482,984.93	
Changes in shareholders' equity for the year:								
Dividend paid	21	0.00	0.00	0.00	0.00	(24,642,121.25)	(24,642,121.25)	
Profit for the year		0.00	0.00	0.00	0.00	4,063,722.33	4,063,722.33	
Other comprehensive expense for the year		0.00	0.00	0.00	0.00	3,995,793.63	3,995,793.63	
Ending balance of the year 2021		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	235,129,314.71	429,900,379.64	
Beginning balance of the year 2020, restated		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	246,131,393.36	440,902,458.29	
Changes in shareholders' equity for the year:								
Dividend paid	21	0.00	0.00	0.00	0.00	(34,498,969.75)	(34,498,969.75)	
Profit for the year		0.00	0.00	0.00	0.00	40,608,513.44	40,608,513.44	
Other comprehensive expense for the year		0.00	0.00	0.00	0.00	(529,017.05)	(529,017.05)	
Ending balance of the year 2020		98,568,485.00	75,175,543.40	10,680,188.03	10,346,848.50	251,711,920.00	446,482,984.93	

Notes to financial statements are parts of these financial statements

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Consolidated financial statements (Baht)		Separate financial statements (Baht)		
	Note	2021	2020	2021	2020
Cash flows from operating activities					
Profit for the year		6,531,434.18	31,613,243.82	4,063,722.33	40,608,513.44
Adjustments					
Gain on revaluation of fair value		(400,769.72)	(508,219.61)	(400,769.72)	(446,900.10)
Unrealized gain on exchange rate		(1,632.94)	6,049.56	(1,732.94)	6,114.41
Expected credit losses (reversed)		1,321,647.65	85,379.40	1,321,647.65	85,379.40
(Increase) decrease in unbilled service income		(3,410,993.21)	22,349,043.62	(3,676,954.01)	22,979,204.76
(Gains) losses on dissolution of subsidiary		38,434.21	0.00	(3,136,890.59)	0.00
Impairment loss of investment in subsidiaries		0.00	0.00	3,572,156.80	0.00
Depreciation		26,130,847.28	27,629,584.54	25,735,819.78	27,188,377.16
(Gains) loss on sale of equipment		849,084.98	(346,054.38)	849,083.98	(246,227.34)
Loss on impairment of properties foreclosed		498.38	3,450.55	498.38	3,450.55
Amortized other intangible assets other than goodwill		422,064.95	439,389.46	422,064.95	439,389.46
Amortized other assets		18,074.05	104,040.46	0.00	0.00
Provisions for employee benefits		329,008.09	2,482,800.76	292,330.03	2,370,192.39
Dividend income		0.00	0.00	0.00	(8,999,460.00)
Interest expenses		697,166.10	751,640.06	695,185.27	752,285.03
Tax expenses (income)		(105,859.68)	208,330.50	(1,039,562.51)	267,769.90
		<u>32,419,004.32</u>	<u>84,818,678.74</u>	<u>28,696,599.40</u>	<u>85,008,089.06</u>
(Increase) Decrease in portion of operating assets					
Trade and other current receivables		19,549,556.49	6,682,193.29	19,260,714.14	6,298,826.13
Inventories		(1,702,113.75)	2,272,686.70	(13,950.79)	522,794.94
Deposit at bank pledged as collateral		0.00	66,660.00	0.00	0.00
Other assets		(12,712.35)	1,238,466.87	(12,712.35)	1,299,606.87
Increase (Decrease) in portion of operating liabilities					
Trade and other current payables		5,966,393.11	(19,819,024.23)	6,973,689.81	(19,202,314.97)
Cash generated (paid) from operation		<u>56,220,127.82</u>	<u>75,259,661.37</u>	<u>54,904,340.21</u>	<u>73,927,002.03</u>
Employee benefit paid		0.00	(3,380,408.47)	0.00	(1,789,132.00)
Interest paid		(286,383.18)	(302,128.05)	(286,383.18)	(302,128.05)
Income tax paid		(3,419,121.83)	(3,536,794.30)	(3,119,382.07)	(3,434,695.13)
Income tax refunded		3,341,124.10	9,466,306.44	3,341,124.10	9,466,306.44
Net cash provided by (used in) operating activities		<u>55,855,746.91</u>	<u>77,506,636.99</u>	<u>54,839,699.06</u>	<u>77,867,353.29</u>

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2021	2020	2021	2020
Cash flows from investing activities					
Proceeds from equity securities of other parties		48,000,000.00	96,602,586.87	48,000,000.00	87,602,586.87
Payments for acquire of equity securities of other parties		(72,500,000.00)	(118,114,107.15)	(72,500,000.00)	(118,114,107.15)
Payments for loans to related parties		0.00	0.00	0.00	(3,000,000.00)
Proceeds from loans to subsidiary		0.00	0.00	0.00	3,000,000.00
Proceeds from dissolution of subsidiary					
net of cash paid		13,422,495.48	0.00	13,386,275.59	0.00
Payments for acquire of subsidiary net of cash received		0.00	(3,878,094.62)	0.00	(5,483,500.00)
Payments for acquire of investment in subsidiaries		0.00	0.00	(8,749,950.00)	(10,154,000.00)
Proceeds from sales of equipment		655,285.35	2,183,114.75	655,285.35	676,428.41
Payments for equipment acquisition		(7,512,522.07)	(26,460,023.44)	(7,273,794.11)	(24,737,786.78)
Payments for right-of-use assets		(212,878.50)	(1,795,434.57)	(212,878.50)	(1,795,434.57)
Payments for other intangible assets acquisition					
other than goodwill		0.00	(555,000.00)	0.00	(555,000.00)
Dividend received from subsidiary		0.00	0.00	0.00	8,999,460.00
Net cash provided by (used in) investing activities		(18,147,619.74)	(52,016,958.16)	(26,695,061.67)	(63,561,353.22)
Cash flows from financing activities					
Payments for short-term borrowings		0.00	(2,900,000.00)	0.00	0.00
Payments for lease liabilities		(3,189,908.82)	(2,660,460.70)	(3,189,908.82)	(2,660,460.70)
Payments for dividend		(24,642,121.25)	(34,468,051.50)	(24,642,121.25)	(34,467,511.50)
Proceeds from non-controlling interests		3,750,050.00	0.00	0.00	0.00
Payments for non-controlling interests		(2,886.30)	0.00	0.00	0.00
Net cash provided by (used in) financing activities		(24,084,866.37)	(40,028,512.20)	(27,832,030.07)	(37,127,972.20)
Net increase (decrease) in cash and cash equivalents		13,623,260.80	(14,538,833.37)	312,607.32	(22,821,972.13)
Cash and cash equivalents as at the beginning of the year		27,265,522.09	50,103,286.48	21,665,715.73	44,487,687.86
Transfer cash and cash equivalents of subsidiaries					
to assets classified as held for sale	9	0.00	(8,298,931.02)	0.00	0.00
Cash and cash equivalents as at the end of the year	5	40,888,782.89	27,265,522.09	21,978,323.05	21,665,715.73

QUALITECH PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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 These financial statement have been prepared in accordance with Thai Financial Reporting Standards under the Accounting Professions Act B.E. 2547 and presented in accordance with the Notification of the Department of Business Development by the Ministry of Commerce dated December 26, 2019, regarding the condensed form should be included in the financial statements (No. 3) B.E. 2562 and the relevant regulations and announcements of the Securities and Exchange Commission.

The Company's financial statements have been prepared under the historical cost convention, except as

2.2 New Financial Reporting Standards

2.2.1 Financial reporting standards that became effective in the current year

The 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.2.2 Financial reporting standards that will become effective for fiscal year beginning on or after January 1, 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

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 in	Percentage of investment %		Type of business
		2021	2020	
QLT International Company Limited	Thailand	0.00	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	99.99	Providing materials and equipment for engineering services, inspection
Qualitech Solution Energy Company Limited	Thailand	70.00	0.00	Producing and distributing electricity from solar power or other sources of energy

3.3 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.

3.4 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.

3.5 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 year 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

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.

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 amortized 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.

As the accounting guidance already expired on December 31, 2020, the Group has assessed the impact from such temporary relief measures, there was no material impact on the financial statements

4.4 Other current financial assets

Investment in equity securities are measured at fair value through profit or loss, presented in statement of financial

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

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 works 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 live 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

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 has 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 records 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 has 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.

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 asses, 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. ADDITION DISCLOSURE OF STATEMENTS OF CASH FLOWS

5.1 Cash and cash equivalents

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Cash	1,294,877.03	1,349,968.42	1,140,606.78	1,394,739.30
Cash at bank - current accounts	135,899.08	1,545,533.66	34,000.00	34,000.00
Cash at bank - savings deposit	39,458,006.78	24,370,020.01	20,803,716.27	20,236,976.43
Total	40,888,782.89	27,265,522.09	21,978,323.05	21,665,715.73

5.2 Non-cash transaction

	Consolidated and Separate financial statements (Baht)	
	2021	2020
Transfer right-of-use assets to be property, plant and equipment	829,178.20	1,230,169.39
Right-of-use assets under lease liabilities	776,635.52	5,927,303.77
Payables from acquire of property, plant and equipment	307,177.54	1,963,844.57

6. TRADE AND OTHER CURRENT RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Trade accounts receivable	88,701,320.69	97,239,522.96	87,288,615.35	96,133,677.15
Other current receivables				
Retention receivable under				
contracts (Note 7)	2,395,300.89	10,779,219.13	2,395,300.89	10,779,219.13
Prepaid expenses	4,166,890.84	4,458,669.42	4,101,379.22	4,458,669.42
Others	3,241,222.34	5,367,053.32	2,950,378.90	4,564,613.38
Total	98,504,734.76	117,844,464.83	96,735,674.36	115,936,179.08
Less Allowance for expected credit loss				
- Trade accounts receivable	(19,390,765.04)	(18,814,503.60)	(19,390,765.04)	(18,814,503.60)
Net	79,113,969.72	99,029,961.23	77,344,909.32	97,121,675.48

Billed trade accounts receivable separated on aging are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Undue trade accounts receivable	41,819,134.16	45,753,736.41	41,142,059.93	45,235,765.91
Overdue trade accounts receivable				
- Less than 3 months	26,717,836.88	29,835,986.08	26,236,941.27	29,280,279.30
- Over 3 months to 6 months	996,760.85	2,454,186.14	990,820.85	2,437,392.61
- Over 6 months to 9 months	509,066.70	2,170,677.51	281,424.20	2,170,677.51
- Over 9 months to 12 months	1,597,765.60	78,000.00	1,597,765.60	78,000.00
- Over 12 months	17,060,756.50	16,946,936.82	17,039,603.50	16,931,561.82
Total	88,701,320.69	97,239,522.96	87,288,615.35	96,133,677.15

7. CONTRACT ASSETS

7.1 Balance under contracts

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Unbilled services income	74,547,208.59	71,136,215.38	74,379,680.39	70,702,726.38
Less Allowance for expected credit loss	(5,590,786.71)	(4,845,400.50)	(5,590,786.71)	(4,845,400.50)
Net	68,956,421.88	66,290,814.88	68,788,893.68	65,857,325.88
Retention receivable under contracts (Note 6, 16)	6,017,864.96	14,401,783.20	6,017,864.96	14,401,783.20
Less Allowance for expected credit loss	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)	(3,622,564.07)
Net	2,395,300.89	10,779,219.13	2,395,300.89	10,779,219.13

7.2 Revenues expected to recognize for incomplete performance obligations

As at December 31, 2021 and 2020, the Group expects to have revenues to be recognize in the future for unsatisfied performance obligations (or partial) of contracts with customers in the amount of Baht 188.22 million and Baht 106.98 million respectively (Separate : Baht 187.58 million and Baht 104.32 million respectively). The Group expects to satisfy this performance obligation to be completed within 1 year (Separate : 1 year).

8. OTHER CURRENT FINANCIAL ASSETS

	Consolidated and Separate financial statements (Baht)	
	2021	2020
Investment in open-end fund :-		
KTPLUS	48,013,003.59	87,763,792.44
TCMF-M	72,651,558.57	0.00
Cash at bank	0.00	8,000,000.00
Total	120,664,562.16	95,763,792.44

9. DISCONTINUED OPERATIONS OF COMPANY

9.1 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 able to liquidate the dissolution to be completed in the year 2020. Therefore, 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 to present as gains on discontinued operations.

On November 17, 2020, the subsidiary has already registered for dissolution and on April 8, 2021, the subsidiary has completely registered the liquidation.

9.2 Net assets of discontinued operations classified as held for sale as at December 31, 2020 are detailed as follows :

	Consolidated financial	Separate financial
	statements (Baht)	statements (Baht)
<u>Assets classified as held for sale</u>		
Cash and cash equivalents	8,298,931.02	0.00
Trade and other current receivables	730,552.18	0.00
Other current financial assets	4,642,930.16	0.00
Investment in subsidiaries	0.00	10,249,385.00
Others non-current assets	65,333.88	0.00
Total assets classified as held for sale	<u>13,737,747.24</u>	<u>10,249,385.00</u>
<u>Liabilities included with assets classified as held for sale</u>		
Trade and other current payables	263,621.72	0.00
Corporate income tax payable	13,195.83	0.00
Total liabilities included with assets classified as held for sale	<u>276,817.55</u>	<u>0.00</u>
Net	<u><u>13,460,929.69</u></u>	<u><u>10,249,385.00</u></u>

9.3 Statements of comprehensive income for the year ended December 31, 2020 of discontinued operations are as follows :

	Consolidated financial statements (Baht)
	2020
Total revenues	6,129,632.09
Total costs	(3,708,134.77)
Total other income	193,143.11
Total expenses	<u>(2,190,513.90)</u>
Gain before income tax	424,126.53
Tax expense	<u>(87,162.70)</u>
Profit for the year from discontinued operations	<u><u>336,963.83</u></u>
Basic earnings per share	3.29

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

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

10. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital	Percentage of shareholding		Separate financial statements (Baht)			
				2021	2020	Cost price		Dividend received	
						2021	2020	2021	2020
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	0.00	99.99	0.00	10,249,385.00	0.00	8,999,460.00
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	5,323,600.00	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	99.99	14,413,500.00	14,413,500.00	0.00	0.00
Qualitech Solution Energy Company Limited	Producing and distributing electricity from solar power or other sources of energy	The Company held 70.00% share capital, has common director and management	12,500,000 Baht	70.00	0.00	8,749,950.00	0.00	0.00	0.00
		Total				28,487,050.00	28,762,485.00	0.00	8,999,460.00
		Less Transfer to assets classified as held for sale				0.00	(10,249,385.00)	0.00	0.00
		Less Provision for impairment of investment in Qualitech Myanmar Company Limited				(3,572,156.80)	0.00	0.00	0.00
		Net				24,914,893.20	18,513,100.00	0.00	8,999,460.00

10.1 QLT International Company Limited

- 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. 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 and on April 8, 2021, the liquidation has been completely registered.

10.2 Qualitech Myanmar Company Limited

- During the first quarter of 2021, a subsidiary has called for and received the payment for increase share capital amount of USD 50,000, total paid-up share capital amount of USD 200,000 (2,000 ordinary shares of USD 100 each). The subsidiary has registered the paid-up share capital on January 8, 2021.

10.3 Duwell Intertrade Company Limited

- 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.

- On September 21, 2020, a subsidiary 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).

10.4 Qualitech Solution Energy Company Limited

- During the second quarter of 2021, a subsidiary was established on April 9, 2021 with the registered share capital amount of Baht 50 million (divided into 500,000 ordinary shares at par value of Baht 100 each) by calling for and receiving the shares payment for company establishment at 25% of the par value of shares. The Company has held 349,998 shares or equal to the proportion of investment at 70% of total share capital.

10.5 The financial statements for the year ended December 31, 2021 and 2020 of above subsidiaries have been taken for preparing the consolidated financial statements were audited by the auditor.

11. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements (Baht)										
	Land	Building	Building improvement	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
Assets - cost :										
As at January 1, 2020	47,981,180.48	56,851,858.52	19,970,710.31	10,838,818.95	205,114,011.24	16,434,843.61	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	10,934,722.52	212,882,418.81	16,164,363.65	2,226,683.78	48,293,278.23	5,421,825.00	421,030,401.85
Acquisition	0.00	0.00	0.00	308,111.59	4,206,660.59	1,231,037.01	0.00	130,100.00	1,997,365.42	7,873,274.61
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,249,000.00	0.00	1,249,000.00
Disposal	0.00	0.00	0.00	(266,470.49)	(4,253,304.86)	(1,157,567.23)	0.00	(3,412,297.22)	(53,575.00)	(9,143,214.80)
Inter-transaction transfer	0.00	5,386,046.39	0.00	0.00	49,226.00	0.00	520,000.00	0.00	(5,955,272.39)	0.00
As at December 31, 2021	47,981,180.48	62,237,904.91	20,274,070.86	10,976,363.62	212,885,000.54	16,237,833.43	2,746,683.78	46,260,081.01	1,410,343.03	421,009,461.66
Accumulated depreciation :										
As at January 1, 2020	0.00	20,609,711.31	6,235,974.20	9,502,780.87	149,901,662.78	13,110,522.89	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	9,949,051.73	161,510,995.04	12,793,188.56	1,989,079.97	26,857,686.30	0.00	243,785,957.77
Depreciation for the year	0.00	2,833,898.84	997,003.66	559,771.86	17,853,747.26	1,764,885.53	274,137.09	867,016.59	0.00	25,150,460.83
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	419,821.80	0.00	419,821.80
Depreciation - write off	0.00	0.00	0.00	(250,346.14)	(4,188,236.53)	(1,112,616.12)	0.00	(2,022,883.03)	0.00	(7,574,081.82)
As at December 31, 2021	0.00	26,286,201.87	8,230,656.80	10,258,477.45	175,176,505.77	13,445,457.97	2,263,217.06	26,121,641.66	0.00	261,782,158.58
Net book value										
As at December 31, 2020	47,981,180.48	33,399,555.49	13,040,417.72	985,670.79	51,371,423.77	3,371,175.09	237,603.81	21,435,591.93	5,421,825.00	177,244,444.08
As at December 31, 2021	47,981,180.48	35,951,703.04	12,043,414.06	717,886.17	37,708,494.77	2,792,375.46	483,466.72	20,138,439.35	1,410,343.03	159,227,303.08

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

	Separate financial statements (Baht)									
	Land	Building	Building improvement	Office furniture and fixtures	Tools and technical equipment	Office equipment	Utilities system	Vehicles	Assets under construction	Total
Assets - cost :										
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
Acquisition	0.00	0.00	0.00	306,625.61	4,032,268.40	1,168,187.22	0.00	130,100.00	1,997,365.42	7,634,546.65
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,249,000.00	0.00	1,249,000.00
Disposal	0.00	0.00	0.00	(264,694.79)	(4,253,304.86)	(1,157,567.23)	0.00	(3,412,297.22)	(53,575.00)	(9,141,439.10)
Inter-transaction transfer	0.00	5,386,046.39	0.00	0.00	49,226.00	0.00	520,000.00	0.00	(5,955,272.39)	0.00
As at December 31, 2021	47,981,180.48	62,237,904.91	19,989,926.33	10,921,779.60	211,554,315.29	16,014,380.06	2,746,683.78	45,810,248.49	1,410,343.03	418,666,761.97
Accumulated depreciation :										
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
Depreciation for the year	0.00	2,833,898.84	997,003.66	548,664.38	17,597,342.04	1,727,337.03	274,137.09	777,050.29	0.00	24,755,433.33
Transfer from right-of-use assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	419,821.80	0.00	419,821.80
Depreciation - write off	0.00	0.00	0.00	(248,571.44)	(4,188,236.53)	(1,112,616.12)	0.00	(2,022,883.03)	0.00	(7,572,307.12)
As at December 31, 2021	0.00	26,286,201.87	7,946,513.27	10,237,635.22	174,876,982.39	13,353,792.84	2,263,217.06	26,016,189.36	0.00	260,980,532.01
Net book value										
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
As at December 31, 2021	47,981,180.48	35,951,703.04	12,043,413.06	684,144.38	36,677,332.90	2,660,587.22	483,466.72	19,794,059.13	1,410,343.03	157,686,229.96

As at December 31, 2021 and 2020, land and building at cost of Baht 36.94 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.

12. RIGHT-OF-USE ASSETS

	Consolidated and Separate financial statements (Baht)
	<u>Vehicles</u>
Assets - cost :	
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	16,271,934.61
Acquisition	989,514.02
Transfer to property, plant and equipment	<u>(1,249,000.00)</u>
As at December 31, 2021	<u>16,012,448.63</u>
Accumulated depreciation :	
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	1,347,680.34
Depreciation for the year	980,386.45
Transfer to property, plant and equipment	<u>(419,821.80)</u>
As at December 31, 2021	<u>1,908,244.99</u>
Net book value	
As at December 31, 2020	<u>14,924,254.27</u>
As at December 31, 2021	<u>14,104,203.64</u>

As at December 31, 2021 and 2020 vehicles at cost of Baht 16.01 million and Baht 16.27 million in the consolidated and separate financial statements which is still pending the payment under the leases (note 18).

13. GOODWILL

13.1 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.

13.2 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 Company's directors for 3 shares of Baht 5,500.00 each, total amount of Baht 0.02 million.

13.3 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	<u>5,262,691.27</u>	<u>4,880,281.28</u>
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	<u>4,621,607.39</u>	<u>3,029,853.39</u>
Total net assets	<u>641,083.88</u>	<u>1,850,427.89</u>
Percentage of investment (%)	<u>99.70</u>	
Net assets in investment proportion	639,160.63	
Acquisition price higher than net assets	<u>4,844,339.37</u>	
Acquisition price	5,483,500.00	
Less : Cash and cash equivalents	<u>(1,605,405.38)</u>	
Net payment for acquisition	<u>3,878,094.62</u>	

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>

14. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

	Consolidated and Separate financial statements (Baht)	
	2021	2020
	<u>Computer software</u>	
Intangible assets - cost :		
Beginning balance	4,589,959.05	3,929,898.96
Increase	0.00	680,000.00
Disposal	(22,200.00)	(19,939.91)
Ending balance	<u>4,567,759.05</u>	<u>4,589,959.05</u>
Accumulated amortization :		
Beginning balance	2,329,931.68	1,910,482.13
Amortization for the year	399,864.95	419,449.55
Ending balance	<u>2,729,796.63</u>	<u>2,329,931.68</u>
Net intangible assets value		
Beginning balance	<u>2,260,027.37</u>	<u>2,019,416.83</u>
Ending balance	<u>1,837,962.42</u>	<u>2,260,027.37</u>

15. DEFERRED TAX ASSETS

Consolidated financial statements (Baht)							
	As at January 1, 2020	Recognize as (expenses) income in profit or loss (Note 22.2)	other comprehensive income (Note 22.4)	As at December 31, 2020	Recognize as (expenses) income in profit or loss (Note 22.2)	other comprehensive income (Note 22.4)	As at December 31, 2021
Trade accounts receivable (allowance for expected credit loss)	213,516.94	157,426.67	0.00	370,943.61	(16,495.84)	0.00	354,447.77
Contract assets (allowance for expected credit loss)	324,023.91	21,356.24	0.00	345,380.15	(2,553.11)	0.00	342,827.04
Other non-current assets (provision for impairment)	0.00	210.42	0.00	210.42	475.61	0.00	686.03
Provisions for employee benefit	1,438,558.08	483,742.14	40,602.48	1,962,902.70	(220,021.85)	(278,364.63)	1,464,516.22
Deficit from operations	0.00	134,255.62	0.00	134,255.62	932,589.20	0.00	1,066,844.82
Total	1,976,098.93	796,991.09	40,602.48	2,813,692.50	693,994.01	(278,364.63)	3,229,321.88
Separate financial statements (Baht)							
	As at January 1, 2020	Recognize as (expenses) income in profit or loss (Note 22.2)	other comprehensive income (Note 22.4)	As at December 31, 2020	Recognize as (expenses) income in profit or loss (Note 22.2)	other comprehensive income (Note 22.4)	As at December 31, 2021
Trade accounts receivable (allowance for expected credit loss)	213,516.94	157,426.67	0.00	370,943.61	(16,495.84)	0.00	354,447.77
Contract assets (allowance for expected credit loss)	324,023.91	21,356.24	0.00	345,380.15	(2,553.11)	0.00	342,827.04
Investments in subsidiaries (provision for impairment)	0.00	0.00	0.00	0.00	219,044.65	0.00	219,044.65
Other non-current assets (provision for impairment)	0.00	210.42	0.00	210.42	475.61	0.00	686.03
Provisions for employee benefit	1,435,695.58	461,337.41	40,602.48	1,937,635.47	(227,753.62)	(261,028.32)	1,448,853.53
Deficit from operations	0.00	0.00	0.00	0.00	1,066,844.82	0.00	1,066,844.82
Total	1,973,236.43	640,330.74	40,602.48	2,654,169.65	1,039,562.51	(261,028.32)	3,432,703.84

16. OTHER NON-CURRENT ASSETS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Deposit receivable under contract	3,622,564.07	3,622,564.07	3,622,564.07	3,622,564.07
Others	362,802.65	331,165.55	301,662.65	1,494,025.55
Total	3,985,366.72	3,953,729.62	3,924,226.72	5,116,589.62
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	(11,187.65)	(2,952.17)	(11,187.65)	(2,952.17)
Net	351,615.00	328,213.38	290,475.00	1,491,073.38

17. TRADE AND OTHER CURRENT PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Trade accounts payable	15,730,316.96	9,693,615.33	16,865,751.45	10,297,867.07
Other current payables				
Accrued expenses	19,500,184.37	18,894,301.13	18,863,549.87	18,455,076.87
Assets payables	47,515.04	387,623.30	694,800.84	387,623.30
Others	4,073,719.35	3,954,387.50	3,698,911.68	3,701,579.25
Total	39,351,735.72	32,929,927.26	40,123,013.84	32,842,146.49

18. LEASE LIABILITIES

18.1 Lease liabilities excluded future interest expenses as follows :

	Consolidated and Separate financial statements (Baht)	
	2021	2020
Hire purchase payable	6,953,770.00	9,536,206.00
Less Future interest expenses of financial lease	(277,049.51)	(504,688.69)
Total	6,676,720.49	9,031,517.31
Less Current portion of long-term liabilities	(2,931,238.07)	(3,003,458.44)
Net	3,745,482.42	6,028,058.87

18.2 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)	
	2021	2020
Vehicles	16,012,448.63	16,271,934.61

19. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

19.1 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.

19.2 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.

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

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2021	2020	2021	2020
Beginning balance	27,309,774.24	25,601,271.67	27,183,438.07	25,582,601.17
Recognized in other comprehensive income				
Losses on remeasurment				
of defined benefit plan	(4,343,503.55)	569,619.53	(4,256,821.95)	569,619.53
Recognized in profit or loss				
Current service costs and interest	2,996,173.51	2,928,015.04	2,957,514.62	2,820,349.37
Past service costs	(2,256,382.50)	0.00	(2,256,382.50)	0.00
Employee benefits decrease	0.00	(1,789,132.00)	0.00	(1,789,132.00)
Ending balance	23,706,061.70	27,309,774.24	23,627,748.24	27,183,438.07

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

	Consolidated		Separate	
	financial statements (%)		financial statements (%)	
	2021	2020	2021	2020
Discount rate	2.16 - 2.68	1.50	2.16	1.50
Salary increase rate	3 - 4.5	3 - 4.5	3 - 4.5	3 - 4.5

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

19.6 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 as at December 31, 2021 and 2020 by the amounts shown below :

	Consolidated financial statements (Baht)			
	2021		2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1,703,943.62)	1,859,764.91	(1,942,341.81)	2,129,482.98
Salary increase rate (0.5% movement)	1,660,962.78	(1,540,426.52)	1,893,279.02	(1,749,608.27)
Turnover rate (10% movement)	(1,490,365.67)	1,655,288.24	(1,745,699.20)	1,952,961.78

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.

20. 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.

21. DIVIDEND PAID

For the year 2021

Parent company

According to the annual general shareholders' meeting for the year 2021 held on April 8, 2021, passed the resolution to pay dividend from profit for the year 2020 to the shareholders at Baht 0.30 per share, amount of Baht 29.57 million which was already paid interim dividend at Baht 0.05 per share amount of Baht 4.93 million, the remaining to be paid at Baht 0.25 per share amount of Baht 24.64 million in which the Company has fully paid such dividend on April 30, 2021.

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.

22. INCOME TAX

22.1 The calculation of current income taxes

For the year 2021 and 2020, 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 27).

22.2 Income tax recognized in profit or loss

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Current income tax				
For the current year	588,134.33	1,005,321.59	0.00	908,100.64
Deferred tax				
Changes in temporary differences	(693,994.01)	(796,991.09)	(1,039,562.51)	(640,330.74)
Total	(105,859.68)	208,330.50	(1,039,562.51)	267,769.90
Income tax from discontinued operations	0.00	(87,162.70)	0.00	0.00
Total tax expense (income)	<u>(105,859.68)</u>	<u>121,167.80</u>	<u>(1,039,562.51)</u>	<u>267,769.90</u>

22.3 Reconciliation for effective income tax rate

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Profit before income tax from				
Continuing operations	6,425,574.50	31,397,447.79	3,024,159.82	40,876,283.34
Discontinued operations	0.00	424,126.53	0.00	0.00
Profit before income tax	6,425,574.50	31,821,574.32	3,024,159.82	40,876,283.34
Income tax rate (%)	20	20	20	20
Income tax	1,285,114.90	6,364,314.86	604,831.96	8,175,256.67
Prohibited taxable expenses	1,431,325.65	508,434.46	1,727,069.76	172,631.43
Additional taxable expenses	(318,002.60)	(756,777.71)	(208,234.47)	(372,585.09)
Exempted income	0.00	0.00	0.00	(1,799,892.00)
Effects from elimination with				
subsidiaries	658,932.13	0.00	0.00	0.00
Promoted profit	(3,163,229.76)	(5,907,641.11)	(3,163,229.76)	(5,907,641.11)
Total income tax	(105,859.68)	208,330.50	(1,039,562.51)	267,769.90
Income tax rate (%)	(2)	1	(34)	1

22.4 Income tax recognized in other comprehensive income

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
(Gains)Losses on remeasurement of				
defined benefit plans	(4,343,503.55)	569,619.53	(4,256,821.95)	569,619.53
Tax (income)expenses	278,364.63	(40,602.48)	261,028.32	(40,602.48)
Net of tax	(4,065,138.92)	529,017.05	(3,995,793.63)	529,017.05

23. 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 :

23.1 General information

Name	Relationship	Description	Pricing policy
Subsidiary			
QLT International Company Limited	The Company held 99.99% share capital, has common director and management	Income - sale of material	At agreed price
		Income - rental	At agreed price
		Income - management service fee	At agreed price
Qualitech Myanmar Company Limited	The Company held 80% share capital, has common director and management	Materials supply	At agreed price
		Income - wages	Close to market value
Duwell Intertrade Company Limited	The Company held 99.99% share capital, has common director and management	Income - management service fee	At agreed price
		Income - rental	At agreed price
		Income - wages	Close to market value
		Income - rental	At agreed price
		Income - management service fee	At agreed price
		Income - materials supply	At agreed price
		Income - other service charges	At agreed price
		Interest received	At the interest rate of 5.50% per annum
		Materials supply	Close to market value
		Contractor wages	Close to market value
Qualitech Solution Energy Company Limited	The Company held 70.00% share capital, has common director and management	Other service charges	Close to market value
		Purchase of fixed assets	At agreed price
		Income - rental	At agreed price

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
QLT International Company Limited				
Trade and other current receivables	0.00	0.00	0.00	60,000.00
Trade and other current payables	0.00	0.00	0.00	32,153.50
Qualitech Myanmar Company Limited				
Trade and other current receivables	0.00	0.00	9,974.07	197,803.09
Contract assets	0.00	0.00	45,000.00	355,000.00
Duwell Intertrade Company Limited				
Trade and other current receivables	0.00	0.00	215,256.04	105,569.03
Contract assets	0.00	0.00	6,000.00	4,800.00
Trade and other current payables	0.00	0.00	2,276,943.95	1,281,094.96

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

	Separate financial statements (Baht)	
Balance as at December 31, 2019	0.00	
Additional loans during the period	3,000,000.00	
Proceeds during the period	(3,000,000.00)	
Balance as at December 31, 2020	0.00	
Qualitech Solution Energy Company Limited		
Trade and other current receivables	0.00	0.00
	3,000.00	0.00

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
QLT International Company Limited				
Revenue - sales	0.00	0.00	0.00	6,760.00
Other income - rental	0.00	0.00	0.00	44,859.80
Other income - management fee	0.00	0.00	0.00	336,448.56
Cost of sales and services - material				
supply	0.00	0.00	0.00	1,534,984.00
Administrative expenses - material				
supply	0.00	0.00	0.00	22,815.00
Qualitech Myanmar Company Limited				
Service income - wages	0.00	0.00	1,299,451.39	414,500.00
Other income - management fee	0.00	0.00	115,096.35	297,115.61
Other income - tools rental	0.00	0.00	55,000.00	26,000.00
Duwell Intertrade Company Limited				
Service income - wages	0.00	0.00	62,000.00	20,000.00
Other income - rental	0.00	0.00	261,526.93	196,387.77
Other income - management fee	0.00	0.00	906,542.04	373,831.76
Other income - material supply	0.00	0.00	0.00	206,364.82
Other income - other service charges	0.00	0.00	82,925.24	0.00
Other income - interest received				
from loans	0.00	0.00	0.00	87,698.63
Cost of sales and services - material				
supply	0.00	0.00	9,287,048.75	5,885,481.00
Cost of sales and services - contractor				
wages	0.00	0.00	181,625.00	18,200.00
Cost of sales and services - other				
service charges	0.00	0.00	11,363.80	0.00
Qualitech Solution Energy Company Limited				
Other income - rental	0.00	0.00	27,000.00	0.00

23.4 Other transaction with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Duwell Intertrade Company Limited				
Fixed assets - equipment	0.00	0.00	946,030.00	93,500.00

24. 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.

25. 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.

26. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2021	2020	2021	2020
Changes in inventories	(1,847,826.60)	(766,422.30)	0.00	0.00
Employee benefit expenses	226,767,153.26	237,577,326.01	223,332,182.58	233,397,976.20
Depreciation	26,130,847.28	27,287,663.95	25,735,819.78	27,190,281.20
Supplies used	21,414,884.55	26,313,102.98	30,561,448.40	33,678,370.61
Contractor wage	33,134,831.92	32,545,518.66	33,284,427.17	32,556,289.03
Travelling and accommodation expenses	8,447,489.93	7,957,858.81	8,146,707.43	7,668,221.18
Office expenses	10,183,291.35	10,076,790.88	9,835,583.15	9,918,395.81
Fee and consulting fee	3,119,602.80	3,772,477.62	2,801,651.77	3,511,700.35
Repairs and maintenance expenses	3,532,912.62	3,055,349.66	3,528,388.91	3,036,932.39
Directors' remuneration	2,032,000.00	2,326,500.00	2,032,000.00	2,326,500.00
Management benefit expenses	20,145,713.21	20,251,522.50	19,945,713.21	19,936,522.50

27. PROMOTIONAL PRIVILEGES

27.1 The Group was 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:

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

27.1.2 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.

27.1.3 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.

27.2 The results of operation of the Group for the year ended December 31, 2021 and 2020 separated into promoted business and non-promoted business as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2021	2020	2021	2020	2021	2020
Sales and services income	255,450,967.62	266,104,149.72	134,235,871.38	155,417,162.92	389,686,839.00	421,521,312.64
Cost of sales of services	(192,200,380.26)	(190,907,897.67)	(113,789,220.82)	(124,488,569.86)	(305,989,601.08)	(315,396,467.53)
Gross profit	63,250,587.36	75,196,252.05	20,446,650.56	30,928,593.06	83,697,237.92	106,124,845.11
Other income						
Gains (losses) on dissolution						
of subsidiary	0.00	0.00	(38,434.21)	0.00	(38,434.21)	0.00
Others	47,041.71	297,637.66	2,418,343.93	2,734,922.68	2,465,385.64	3,032,560.34
Distribution costs	(6,227,919.44)	(6,609,134.13)	(4,156,263.74)	(4,654,404.20)	(10,384,183.18)	(11,263,538.33)
Administrative expenses	(46,842,228.76)	(40,206,986.20)	(21,775,036.81)	(25,537,148.10)	(68,617,265.57)	(65,744,134.30)
Profit (loss) from operating						
activities	10,227,480.87	28,677,769.38	(3,104,740.27)	3,471,963.44	7,122,740.60	32,149,732.82
Finance costs	(496,099.56)	(435,309.96)	(201,066.54)	(316,975.07)	(697,166.10)	(752,285.03)
Profit (loss) before income						
tax expense	9,731,381.31	28,242,459.42	(3,305,806.81)	3,154,988.37	6,425,574.50	31,397,447.79
Tax expense	0.00	0.00	105,859.68	(121,167.80)	105,859.68	(121,167.80)
Profit (loss) for the year from						
continuing operations	9,731,381.31	28,242,459.42	(3,199,947.13)	3,033,820.57	6,531,434.18	31,276,279.99
Profit (loss) for the year from						
discontinued operations	0.00	0.00	0.00	336,963.83	0.00	336,963.83
Profit (loss) for the year	9,731,381.31	28,242,459.42	(3,199,947.13)	3,370,784.40	6,531,434.18	31,613,243.82

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

28. OPERATING SEGMENTS

28.1 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.

28.2 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.

28.3 Revenues separated by nature of services are as follows:

	Consolidated financial statements	
	(Million Baht)	
	2021	2020
Non-Destructive Testing	200.22	184.80
Inspection and certificate	154.55	204.01
Others	31.91	32.71
Total	386.68	421.52

28.4 For the year ended December 31, 2021 and 2020, the Group has revenues from five major customers in the amount of Baht 164.82 million and Baht 123.02 million respectively.

29. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

29.1 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.

29.2 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.

29.3 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, 2021 and 2020, 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		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
Financial assets											
Cash and cash equivalents	5	39.46	24.37	0.00	0.00	1.43	2.90	40.89	27.27	0.05%-0.25%	0.05%-0.25%
Trade and other current receivables	6	0.00	0.00	0.00	0.00	79.11	99.00	79.11	99.00	-	-
Assets classified as held for sale	8	0.00	0.00	0.00	8.00	120.66	87.76	120.66	95.76	-	0.30%
Financial liabilities											
Trade and other current payables	17	0.00	0.00	0.00	0.00	39.35	32.87	39.35	32.87	-	-
Lease liabilities	18	0.00	0.00	6.68	9.54	0.00	0.00	6.68	9.54	0.00%-5.40%	0.00%-5.40%

Unit : Million Baht

Separate financial statements											
Note	Floating interest rate		Fixed interest rate		Non-interest rate		Total		Interest rate		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
Financial assets											
Cash and cash equivalents	5	20.80	20.24	0.00	0.00	1.17	1.43	21.97	21.67	0.125%-0.25%	0.05%-0.25%
Trade and other current receivables	6	0.00	0.00	0.00	0.00	77.34	97.12	77.34	97.12	-	-
Assets classified as held for sale	8	0.00	0.00	0.00	8.00	120.66	87.76	120.66	95.76	-	0.30%
Financial liabilities											
Trade and other current payables	17	0.00	0.00	0.00	0.00	40.12	32.84	40.12	32.84	-	-
Lease liabilities	18	0.00	0.00	6.95	9.54	0.00	0.00	6.95	9.54	0.00%-5.40%	0.00%-5.40%

29.4 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, 2021 and 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)				
	Less than 1 year	1 - 3 years	3 - 5 years	Total
As at December 31, 2021				
Trade and other current payables	39,351,735.72	0.00	0.00	39,351,735.72
Lease liabilities	3,026,654.61	3,650,065.88	0.00	6,676,720.49
Total	<u>42,378,390.33</u>	<u>3,650,065.88</u>	<u>0.00</u>	<u>46,028,456.21</u>
As at December 31, 2020				
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)				
	Less than 1 year	1 - 3 years	3 - 5 years	Total
As at December 31, 2021				
Trade and other current payables	40,123,013.84	0.00	0.00	40,123,013.84
Lease liabilities	3,026,654.61	3,650,065.88	0.00	6,676,720.49
Total	<u>43,149,668.45</u>	<u>3,650,065.88</u>	<u>0.00</u>	<u>46,799,734.33</u>
As at December 31, 2020				
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>

29.5 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.

The carrying value and fair value of financial assets and financial liabilities as at December 31, 2021 and 2020 are presented below.

Consolidated financial statements (Baht)					
		Carrying value			Fair value
		Fair value through	Amortized cost	Total	
Note	profit of loss				
As at December 31, 2021					
Financial assets					
		0.00	40,888,782.89	40,888,782.89	40,888,782.89
		0.00	79,113,969.72	79,113,969.72	79,113,969.72
	8	120,664,562.16	0.00	120,664,562.16	120,664,562.16
		<u>120,664,562.16</u>	<u>120,002,752.61</u>	<u>240,667,314.77</u>	<u>240,667,314.77</u>
Financial liabilities					
		0.00	39,357,735.72	39,357,735.72	39,357,735.72
	18	0.00	6,676,720.49	6,676,720.49	6,676,720.49
		<u>0.00</u>	<u>46,034,456.21</u>	<u>46,034,456.21</u>	<u>46,034,456.21</u>
As at December 31, 2020					
Financial assets					
		0.00	27,265,522.09	27,265,522.09	27,265,522.09
		0.00	99,029,961.23	99,029,961.23	99,029,961.23
	8	87,763,792.44	8,000,000.00	95,763,792.44	95,763,792.44
		<u>87,763,792.44</u>	<u>134,295,483.32</u>	<u>222,059,275.76</u>	<u>222,059,275.76</u>
Financial liabilities					
		0.00	32,929,927.26	32,929,927.26	32,929,927.26
	18	0.00	9,031,517.31	9,031,517.31	9,031,517.31
		<u>0.00</u>	<u>41,961,444.57</u>	<u>41,961,444.57</u>	<u>41,961,444.57</u>

Separate financial statements (Baht)					
		Carrying value			Fair value
	Note	Fair value through profit of loss	Amortized cost	Total	
As at December 31, 2021					
Financial assets					
Cash and cash equivalents		0.00	21,978,323.05	21,978,323.05	21,978,323.05
Trade and other current receivables		0.00	77,344,909.32	77,344,909.32	77,344,909.32
Other current financial assets	8	120,664,562.16	0.00	120,664,562.16	120,664,562.16
Total financial assets		<u>120,664,562.16</u>	<u>99,323,232.37</u>	<u>219,987,794.53</u>	<u>219,987,794.53</u>
Financial liabilities					
Trade and other current payables		0.00	40,123,013.84	40,123,013.84	40,123,013.84
Lease liabilities	18	0.00	6,676,720.49	6,676,720.49	6,676,720.49
Total financial liabilities		<u>0.00</u>	<u>46,799,734.33</u>	<u>46,799,734.33</u>	<u>46,799,734.33</u>
As at December 31, 2020					
Financial assets					
Cash and cash equivalents		0.00	21,665,715.73	21,665,715.73	21,665,715.73
Trade and other current receivables		0.00	97,121,675.48	97,121,675.48	97,121,675.48
Other current financial assets	8	87,763,792.44	8,000,000.00	95,763,792.44	95,763,792.44
Total financial assets		<u>87,763,792.44</u>	<u>126,787,391.21</u>	<u>214,551,183.65</u>	<u>214,551,183.65</u>
Financial liabilities					
Trade and other current payables		0.00	32,842,146.49	32,842,146.49	32,842,146.49
Lease liabilities	18	0.00	9,031,517.31	9,031,517.31	9,031,517.31
Total financial liabilities		<u>0.00</u>	<u>41,873,663.80</u>	<u>41,873,663.80</u>	<u>41,873,663.80</u>

30. HIERARCHY LEVELS OF FAIR VALUE

The Group presented carrying value of assets which measured at fair value separating by hierarchy of fair value as follows :

Consolidated and Separate financial statements (Baht)					
	Note	Level 1	Level 2	Level 3	Total
As at December 31, 2021					
Assets measured at fair value					
Other current financial assets					
Investment in equity instruments	8	<u>120,664,562.16</u>	<u>0.00</u>	<u>0.00</u>	<u>120,664,562.16</u>
As at December 31, 2020					
Assets measured at fair value					
Other current financial assets					
Investment in equity instruments	8	<u>87,763,792.44</u>	<u>0.00</u>	<u>0.00</u>	<u>87,763,792.44</u>

31. COMMITMENT AND CONTINGENT LIABILITIES

- 31.1 As at December 31, 2021 and 2020, the Group has commitment under purchase and hire agreement with several seller in the amount of Baht 21.99 million and Baht 22.30 million respectively in the consolidated financial statements and in the amount of Baht 24.73 million and Baht 21.56 million in the separate financial statements respectively.
- 31.2 The subsidiary has commitment under lease office building agreement as at December 31, 2021 for the amount of Baht 0.15 million.
- 31.3 The Company has contingent liabilities from a local bank's issuance of letter of guarantee for the results of work to customers of the Company and guarantee the electricity usage to government agency, as at and December 31, 2021 and 2020 total amount of Baht 10.59 million and Baht 22.60 million respectively. Contingent liabilities are guaranteed by mortgaging land with its construction (note 11) and bank deposits.
- 31.4 On October 26, 2021, there is a flame erupted around the chemical tank, resulting the damages to property of the employer which is the area of the Company's sub-contractor performance. At present, the Company is investigating the cause of such incidents and assessing the value of the damaged property by the employer. The management of the Company is unable to assess the contingent damages value that may occur.
- 31.5 The Company has a litigation arising from the employment of workers as at December 31, 2021 amounting to Baht 1.87 million. The case is currently under trial by the Court, which the Company's management believes that it will not have a significant impact on the Company's financial position.

32. 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 2021 and 2020, the Group has contribution expenses in the amount of Baht 2.51 million and Baht 3.40 million respectively.

33. CAPITAL MANAGEMENT

The Group's objective in financial management is to maintain the ability to continue its operation and maintain the appropriate capital structure. As at December 31, 2021 and 2020, the Group has debt-to-equity ratios at 0.40 : 1 and 0.40 : 1 in the consolidated financial statements and debt-to-equity ratios at 0.41 : 1 and 0.40 : 1 in the separate financial statements, respectively.

34. EVENTS AFTER THE REPORTING PERIOD

According to the minutes of Board of directors' meeting No. 2/2022 held on February 12, 2022, passed the resolution to submit to the shareholders' general meeting for approval the dividend payment from profit for the year 2021 to the shareholders at Baht 0.20 per share, amounting to Baht 19.71 million.

35. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 12, 2022.

❖ Board of Director



Mr. Somyos Chiamchirungkorn

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

Mr. Sannpat Rattakham

- ◆ Chairman of the Executive Board
- ◆ Acting Managing Director

❖ Board of Director



Mr. Somchai Jongsirilerd

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

Mr. Tinakorn Seedasomboon

- ◆ Member of the Audit Committee
 - ◆ Independent Director

❖ Board of Director



Mr. Somchaan Lubtikultham

◆ Director

Mr. Thawatchai Lipithorn

◆ Director

◆ Executive Director

◆ Member of Nomination and
Remuneration Committee

❖ Board of Director



Mr. Supachock Sirichantaradilok

- ◆ Director
- ◆ Executive Director

Mr. Domdej Sripinproach

- ◆ Director

❖ Board of Director



Mr. Komjak Rattakham

◆ Director

◆ The Company's Secretary

Details of the Board Directors and Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other directors	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the directors								
1. Mr. Somyos Chiamchirungkom Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee (5/04/2017)	69	-	-	-	- Bachelor of Engineering, (Industrial Engineering), Chulalongkorn University - Master of Business Administration for Executives Program, Thammasat University - Training of Director Certification Program (DCP) from Thai Institute of Directors - Training of Director Accreditation Program (DAP) from Thai Institute of Directors	2017 – Present 2007-2021	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee Independent Director Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee/ Independent Director Chairman of the Audit Committee	Qualitech Pub Co., Ltd./ Engineering Inspection Qualitech Pub Co., Ltd./ Engineering Inspection Chaophraya Mahanakom Group Pub Co., Ltd./ Real Estate Qualitech Pub Co., Ltd./ Engineering Inspection M.C.S. Steel Pub Co., Ltd./ Large Steel Structure Manufacturing and Processing Kama Joint Venture Co., Ltd./ Glass and Aluminum Agent and Installation

Details of the Board Directors and Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other directors	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the directors								
2. Mr. Sanmpat Rattakham Chairman of Executive Director / Acting Managing Director (11/02/1991)	65	22,392,560	22.72%	Mr. Kornjak Rattakham's father	- Bachelor of Engineering, Chulalongkorn University - Master of Business Administration, Thammasat University - Training of Director Accreditation Program (DAP) from Thai Institute of Directors - Training of Role of the Chairman Program (RCP) from Thai Institute of Directors	2021 - Present 2020 – Present 2017 – Present 2018 – 2021 2011 – 2020 2018 – 2019 1991 – 2018 2011 – 2016	Chairman of Executive Director / Acting Managing Director Director Director Chairman of the Board of Director / Chairman of Executive Director Director Chairman of the Board of Director / Chief Executive Officer / Director Managing Director Director	Qualitech Pub Co., Ltd./ Engineering Inspection Duwell Intertrade Co.,Ltd. Qualitech Myanmar Co., Ltd. / Engineering Inspection Qualitech Pub Co., Ltd./ Engineering Inspection QLT International Co., Ltd./ Engineering Equipment and Tools Agent and Non-Destructive Testing Service. Qualitech Pub Co., Ltd./ Engineering Inspection Qualitech Myanmar Co., Ltd. / Engineering Inspection

Details of the Board Directors and Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other directors	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the directors								
3. Mr. Somchai Jongsirilerd Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee (10/04/2013)	63	41,000	0.04%	-	- Bachelor of Engineering, Chulalongkorn University - Master of Business Administration, Detroit University - Training of Director Accreditation Program (DAP) from Thai Institute of Directors - Training of Advanced Audit Committee Program (AACCP) from Thai Institute of Directors - Training of Ethical Leadership Program (ELP) from Thai Institute of Directors - Training of Risk Management Program for Corporate Leaders (RCL) from Thai Institute of Directors	2021 – Present	Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee Executive Director / Member of Risk Management Committee Director Managing Director Managing Director	Qualitech Pub Co., Ltd. / Engineering Inspection Thai Metal Drum Pub Co., Ltd. Songkhla Metal Drum Co., Ltd. Eastplast Co., Ltd. The Pet Co., Ltd./ Poly Board Manufacturing, Free Form, Water Bottle and Corrugated Plastic Board Qualitech Pub Co., Ltd. / Engineering Inspection
						2016 – 2021	Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee	
						1998 – 2018	Assistant Managing Director	Songkhla Metal Drum Co., Ltd.
						1997 – 2018	Assistant Managing Director	Thai Metal Drum Pub Co., Ltd. /Drum Manufacturing
						2014 – 2017	Director	Christian&Nielsen (Thai) Pub Co., Ltd./ Construction

Details of the Board Directors and Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other directors	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the directors								
4. Mr. Somchaan Lubtikultham Director (11/02/1991)	65	19,121,535	19.40%	-	- Bachelor of Engineering, Chulalongkorn University - Master of Business Administration, Chulalongkorn University - Training of Director Accreditation Program (DAP) from Thai Institute of Directors	2002 – Present 1991 – Present	Director Director	NP Property Co., Ltd./ Real Estate Qualitech Pub Co., Ltd. / Engineering Inspection

Details of the Board Directors and Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other directors	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the directors								
5. Mr. Tinakorn Seedasomboon Independent Director / Member of the Audit Committee (30/03/2017)	60	-	-	-	<ul style="list-style-type: none"> - Bachelor of Accountancy, Bangkok University - Mini MBA, Kasetsart University - Graduate Diploma of Taxation, University of the Thai Chamber of Commerce - Master of Business Administration, University of the Thai Chamber of Commerce - Training of Director Accreditation Program (DAP) from Thai Institute of Directors - Training of Director Certification Program (DCP) from Thai Institute of Directors - Training of Audit Committee Program (ACP) from Thai Institute of Directors - Training of Role of the Chairman Program (RCP) from Thai Institute of Directors - Training of Advanced Audit Committee Program (AAP) from Thai Institute of Directors - Training of Board Nomination & Compensative Program (BNCP) from Thai Institute of Directors 	<ul style="list-style-type: none"> 2018 – Present 2010 – Present 2010 – Present 2007 – Present 2002 – Present 1997 – 2018 	<ul style="list-style-type: none"> Chairman of the Audit Committee Member of the Audit Committee / Member of the Nomination and Remuneration Committee Independent Director Independent Director / Member of the Audit Committee Managing Director Manager 	<ul style="list-style-type: none"> Mackale Group Pub Co., Ltd. / Bank M.C.S. Steel Pub Co., Ltd./ Large Steel Structure Manufacturing and Processing DMMS Co., Ltd./ Biological Gas Manufacturing Qualitech Pub Co., Ltd. / Engineering Inspection The Sun Auditing Co., Ltd./ Audit Office T.N.J. Accounting and Law Co., Ltd.

Details of the Board Directors and Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other directors	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the directors								
6. Mr. Thawatchai Lipithorn Director / Executive Director / Member of the Nomination and Remuneration Committee (10/11/2018)	67	12,213,220	12.39%	-	- Bachelor of Engineering, Chulalongkorn University - Training of Director Accreditation Program (DAP) from Thai Institute of Directors	2020 - Present 2018 - Present 2009-2020	Director Director / Executive Director / Member of the Nomination and Remuneration Committee Director / Managing Director	Duwell Intertrade Co.,Ltd. Qualitech Pub Co., Ltd. / Engineering Inspection Duwell Intertrade Co.,Ltd. / Machine and Equipment wholesale for Industrial Work
7. Mr. Supachok Sirichantaradilok Director / Executive Director (3/4/2019)	61	-	-	-	- Bachelor of Accountancy of Chulalongkorn University - Master of Public Administration, National Institute of Development Administration (NIDA) - Training of Director Accreditation Program (DAP) from Thai Institute of Directors - Training Director Certification Program (DCP) from Thai Institute of Directors	2019 - Present 2006 - Present	Director / Executive Director The Company's Secretary	Qualitech Pub Co., Ltd. / Engineering Inspection Thanulux Pub Co., Ltd

Details of the Board Directors and Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the directors								
8. Mr. Domdej Sripinproach Director (12/01/2015)	51	292,200	0.30%	-	- Bachelor of Engineering, Chulalongkorn University - Master of Engineering, Chulalongkorn University - Master of Business Administration, Chulalongkorn University - Training of Director Accreditation Program (DAP) from Thai Institute of Directors	2020 - Present 2017 – Present 2021 – Present 2017 – Present	Director Director Director Director	Qualitech Myanmar Co., Ltd./ Engineering Inspection Duwell Intertrade Co.,Ltd. Qualitech Solution Energy Co., Ltd. Qualitech Pub Co., Ltd. / Engineering Inspection Qualitech Pub Co., Ltd. / Engineering Inspection Qualitech Pub Co., Ltd. / Engineering Inspection Siam Lemmerz Co., Ltd. / Aluminum Wheels Manufacturing

Details of the Board Directors and Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the directors								
9. Mr. Komjak Rattakham Director / The Company's Secretary (15/7/2020)	28	-	-	Mr. Sannpat Rattakham's son	- MSc in Corporate Finance with Distinction, Cass Business School, City, University of London, UK - Bachelor of Arts, Major in Entrepreneurial Economics (International Program), Kasetsart University - Training of Director Accreditation Program (DAP) from Thai Institute of Directors - Training of Company Secretary Program (CSP) from Thai Institute of Directors	2021 – Present 2020 – Present 2020 – Present 2020 – 2020 2019 – 2020 2018 – 2019 2015 – 2017	Chief of Staff Director of Business Development / Advisor Director / The Company's Secretary Investment Banker Strategic Financial Planning Lead Senior analyst of Investment Banking Department Business Development Officer	Polar Bear Mission Co., Ltd. (Freshket)/Food Supply Chain Platform Green Earth Power (Thailand) Co., Ltd. / Holding Company of Renewable Energy Qualitech Pub Co., Ltd. / Engineering Inspection TISCO Securities CO.,Ltd. Gpay Network (T) Co., Ltd. (Grab's Finance) Maybank Kim Eng Securities (Thailand) Pub Co., Ltd. Qualitech Pub Co., Ltd. / Engineering Inspection

Details of the Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the Executives								
1. Mr. Sumet Techachainiran Assistant Managing Director (9/12/2021)	62	1,387,755	1.41%	-	- Master of Business Administration, Chulalongkorn University - Bachelor of Engineering, Major in Mechanical Engineering, Chiang Mai University - Training of Director Accreditation Program (DAP) from Institute of Directors	2021 – Present 2020 – 2021 2016 – 2019 2007 – 2016	Assistant Managing Director Advisor to Managing Director Director / Managing Director Director / Assistant Managing Director	Qualitech Pub Co., Ltd. / Engineering Inspection Qualitech Pub Co., Ltd. / Engineering Inspection QLT International Co., Ltd./Test Agricultural Products Qualitech Pub Co., Ltd. / Engineering Inspection
2. Mr. Thavorn Kitcharoen Sales and Marketing Department Manager (05/10/2019)	65	-	-	-	- Diploma of Industrial Mechanics, Rajamangala University of Technology Krungthep	2019 – Present	Sales and Marketing Department Manager	Qualitech Pub Co., Ltd. / Engineering Inspection
3. Mr. Rakchart Inthaphio Plant Integrity and Industrial Service Department Manager	48	-	-	-	- Bachelor of Engineering, Major in Industrial Engineering, Rajamangala University of Technology Isan	2001 – Present	Plant Integrity and Industrial Service Department Manager	Qualitech Pub Co., Ltd. / Engineering Inspection

Details of the Executives

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Details of the Executives								
4. Ms. Wimol Saefung Internal Audit Department Manager (01/01/2009)	51	47,415	0.05%	-	- Bachelor of Business Administration (Accounting), Ramkhamhaeng University - Master of Business Administration (Managerial Accounting), Burapha University	1994 – Present	Plant Integrity and Industrial Service Department Manager	Qualitech Pub Co., Ltd. / Engineering Inspection
5. Ms. Kunlanit Sarapab Accounting and Finance Department Manager (01/12/2018)	45	2,075	0.00%	-	- Bachelor of Business Administration (Accounting), Huachiew Chalermprakiet University - Master of Business Administration, Burapha University	2005 – Present	Accounting and Finance Department Manager	Qualitech Pub Co., Ltd. / Engineering Inspection
6. Mrs. Napassanan Laohacharoensombat Sales and Marketing Department Manager (01/12/2015)	42	-	-	-	- Bachelor of Science (Technical Chemistry), Chulalongkorn University - Master of Science (Petrochemistry), Chulalongkorn University - Master of Business Administration, Assumption University	2015 - Present	Sales and Marketing Department Manager Southeast Asia Regional Manager	Qualitech Pub Co., Ltd. / Engineering Inspection NSF Asia – Pacific Co., Ltd / Test and Certify Goods
7. Mr. Wichan Chunta Non-Destructive Testing Department Manager (16/10/2020)	43	-	-	-	- Bachelor of Engineering, Suranaree University of Technology	2020 – Present	Non-Destructive Testing Department Manager	Qualitech Pub Co., Ltd. / Engineering Inspection

Remark ; Information as of December 31, 2021

Details of Chief Financial Officer

Name-Surname Position/Field of work (Appointment date)	Age (Years old)	Numbers of stocks held	Proportion of Shareholding (%)	Relation among family with other	Education/Training Background	Timeframe	Position	Organization name/Company/ Type of Business
Chief Financial Officer								
1. Ms. Kunlanit Sarapab Accounting and Finance Department Manager (01/12/2005)	45	2,075	0.00%	-	- Bachelor of Business Administration (Accounting), Huachiew Chalermprakiet University - Master of Business Administration, Burapha University	2005 – Present	Accounting and Finance Department Manager	Qualitech Pub Co., Ltd. / Engineering Inspection

Remark ; Information as of December 31, 2021

Details of Directors and Subsidiaries

1. Qualitech Myanmar Company Limited (QLTM)

Name of Director	Position
1. Mr. Sannpat Rattakham	Director
2. Mr. Hlaing Thurein Minn	Director

2. Duwell Intertrade Company Limited

Name of Director	Position
1. Mr. Sannpat Rattakham	Director
2. Mr. Domdej Sripinproach	Director
3. Mr. Thawatchai Lipithorn	Director

3. Qualitech Solution Energy Company Limited

Name of Director	Position
1. Mr. Sannpat Rattakham	Director
2. Mr. Domdej Sripinproach	Director

Details of Head of Internal Audit

Responsibilities

Head of Internal Audit means a person holding a position Internal Audit Department Manager which is responsible for effective management of internal audit activities consistent with the Internal Audit Charter and the definition of internal audit according to the code of ethics and international standards for the practice of internal audit profession. The Audit Committee is the one who approves the appointment of the Internal Audit Manager holding Secretary of the Audit Committee To assist the Audit Committee in scheduling meetings, prepare agenda Delivering meeting documents and meeting minutes as well as other related works.

Profile of the person holding the position of Internal Audit Department Manager and Secretary of the Audit Committee.

Ms. Wimol Saephung (1 January 2009 – Present)

Education

- Bachelor of Business Administration (Accounting), Ramkhamhaeng University
- Master of Business Administration Program in Managerial Accounting, Burapha University

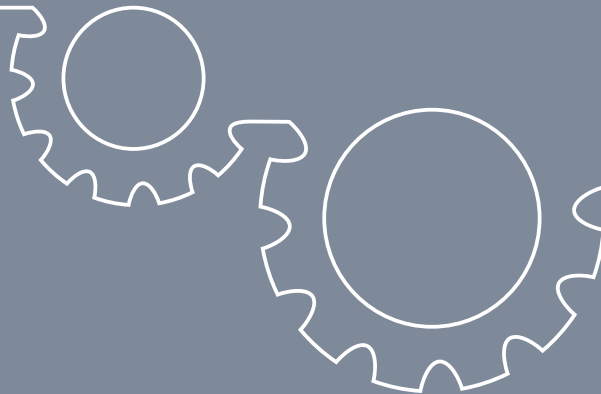
Working experiences

- Internal Audit Department Manager, Qualitech Public Company Limited.

Attachment 4

Details on Asset Valuation

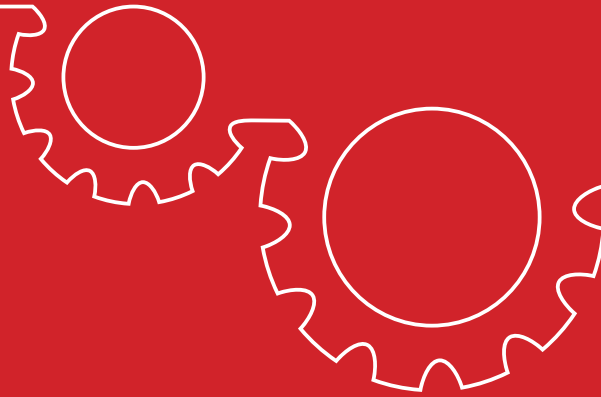
- The company does not have details on Asset Valuation -





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